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Cuba

Report on Sandinist Revolution 10th Anniversary

Official Delegation Departs

FL1907024589 Havana Television Service in Spanish 0000 GMT 19 Jul 89

[Text] An official delegation representing the Cuban Government has left for Nicaragua. The delegation is headed by Comrade Jose Ramon Fernandez, vice president of the Council of Ministers of Cuba and minister of education.

The group went to the brother country to participate in the 19 July celebrations commemorating the 10th anniversary of the Sandinist victory.

Construction Group Receives Banner

FL1907030389 Havana Television Service in Spanish 0000 GMT 19 Jul 89

[Text] The first contingent of Bluefields construction workers received its banner in that Nicaraguan city in salute of the 10th anniversary of the Sandinist revolution. This festive day will be celebrated tomorrow [19 July].

The group is made up of more than 200 men and women who have worked over 65,000 volunteer hours, along with the Cubans, in building houses in Santa Rosa neighborhood. Today, the Sandinist authorities also approved the first projects of the Bluefields City master plan which is being carried out with the cooperation of Cuban specialists.

Despite intense rains, the members of the Jose Marti Internationalist Minibrigade Contingent continue their activities. Last June they worked 23,847 volunteer hours to finish the first houses that will be inaugurated in Bluefields Santa Rosa neighborhood. For this time frame, the most noted worker in the contingent is Leobaldo Ferrer. The best collective is the Construction Brigade, which via the Sandino system, built 260 houses in Santa Rosa. In this way, Cubans and Nicaraguans honor the 10th anniversary of the Sandinist revolution and the 36th anniversary of the assault on the Moncada Barracks.

Education Minister Attends

FL1907152089 Havana Radio Rebelde Network in Spanish 1023 GMT 19 Jul 89

[Live telephone report by correspondent Nelson Notario Castro from Managua, Nicaragua, during "Haciendo Radio" program]

[Text] Jose Ramon Fernandez, vice president of the Council of Ministers of Cuba and minister of education, has said here in Managua that he had a greeting from Commander in Chief Fidel Castro for all Nicaraguans on the occasion of the 10th anniversary of the triumph of the Sandinist revolution.

Jose Ramon Fernandez arrived here yesterday on a special Cubana de Aviacion flight which landed in the late morning hours at the Agusto Cesar Sandino Airport. Fernandez is representing our country in the festivities commemorating the 10th anniversary of the triumph of the Sandinist process.

[Begin Jose Ramon Fernandez recording] We have a greeting from the people, party, and especially from Fidel, President Fidel Castro, for all the people of Nicaragua. It is a congratulatory message on the occasion of the 10th anniversary. I express all our best wishes so that you continue your triumphant march and firm struggle against all the aggressions of imperialism. [end recording]

Ortega Speaks at Ceremony

FL1907204989 Havana Radio Reloj Network in Spanish 1932 GMT 19 Jul 89

[Text] Today, Nicaraguan President Daniel Ortega gave the main speech at the ceremony commemorating the 10th anniversary of the Sandinist victory. It was estimated that a multitude of 300,000 people attended this ceremony. Ortega said that throughout its 10 years of struggle, Nicaragua has said no to illiteracy, infant mortality, mining of ports, the economic embargo, war, and the hegemonic attitude of the United States.

In another part of his speech, Ortega said: However, Nicaragua has said yes to agrarian reform, national reconstruction, the eradication of disease, and construction. In the ceremony commemorating the Sandinist victory, Ortega called upon the U.S. Government to work seriously to achieve peace in Central America. Nicaragua offered its support to jointly work toward this objective.

Youths Celebrate Anniversary

FL1907211689 Havana Radio Reloj Network in Spanish 1942 GMT 19 Jul 89

[Text] Today, the almost 1,000 Nicaraguan students taking courses on the Isle of Youth celebrated the 10th anniversary of the Sandinist victory with a ceremony that reaffirmed the students' decision to fight, constantly triumph, and solidarity with Cuba.

July 1979 is a date that is marked in our hearts and in America's history because it signified the beginning of a new life for the people, said (Miguel Momartinica), secretary of the Sandinist Youth Organization in Cuba.

The youth leader also noted that the revolution's triumph was significant because it ended 45 years of Somoza dictatorships, as well as their submission to imperialism.

He said that despite the aggressions and war imposed on his country by the United States—a war that has caused the loss of tens of thousands of lives—Nicaragua marches on with other liberated nations.

WFTU Criticizes U.S. Plans for TV Station

FL1907200289 Havana Tele-Rebelde Network in Spanish 1700 GMT 19 Jul 89

[Text] The World Federation of Trade Unions [WFTU] criticized today the U.S. Government because of its plans to create a television station aimed at destabilizing Cuba. The Prague-based organization released a report indicating that such plans violate international law and disregard the world telecommunications regulations, especially those signed by the United States and 130 countries in Nairobi.

Jorge Risquet in Iraq for National Festivities

FL1807152589 Havana Tele-Rebelde Network in Spanish 1100 GMT 18 Jul 89

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba Central Committee Politburo, has arrived in Baghdad on an official visit to participate in the commemoration of the beginning of the Iraqi Revolution.

Risquet is heading a Cuban delegation to the activities which are celebrating the proclamation of the Republic of Iraq and the founding of the National Progressive Patriotic Front. The Baghdad written press as well as television have given extensive coverage to the visit and statements made by Risquet, who has made reference to the close ties between the people and Governments of Cuba and Iraq.

Castro Discusses Havana City Projects

FL1907180089 Havana Tele-Rebelde Network in Spanish 1119 GMT 19 Jul 89

[Text] The final session of the National Assembly [of the People's Government, ANPP] ended on a very encouraging note when, at the request of Fidel, the provincial presidents of the People's Government of Pinar del Rio, Santiago de Cuba, Havana, and Havana City [passage indistinct] reported on the economic and social development projects of their respective provinces and on the stages that those projects are in. We can say that the results are already noteworthy, if you consider all the projects in the country as viable proof that the process of rectification of errors and negative tendencies is bearing its fruits with the active participation of our workers and leaders.

[Begin recording] [Castro] I think the provinces have a lot to say, because a lot of work is being done in all of them. I do not know of a province where a great effort is not being made today. If we think about Pinar del Rio, we can see that there is an enormous effort being made in many areas. If we go to Matanzas Province, there you can see a great effort being made. In Havana City, there is also a great effort being made. Havana Province [rephrases] The two provinces... [does not complete sentence] Also in Matanzas, there are many areas in which work is being done, such as tourism projects. Villa Clara, Cienfuegos, Sancti Spiritus... [does not complete sentence] I was recently in Sancti Spiritus and the truth is that they are carrying out a colossal effort there. In all, many areas, this kind of effort is being made.

[Unidentified speaker No 1] We would also like to begin this year, and thrust forward, another liquid fodder plant in the area of Contramaestre. This will allow us to supply liquid fodder to the porcine center we are working on in the [name indistinct] area. We would also like to build this year, or next year, another plant in the area of (Mella), Palma. That means there would be four plants for.... [changes thought] With the [word indistinct] and other sugarcane by-products that we can use for food, in addition to using all the wastes of the province, we can help support the meat production plan you proposed to us for Santiago de Cuba.

[Pedro Chavez Gonzalez, president of Havana City Provincial Assembly] Well, as it is known, the city is involved a whole program for social and housing projects. The projects have been prioritized and the minibrigade movement—the recently revitalized minibrigade movement—is the one doing this work. As it was explained yesterday, if you add the minibrigades and the support groups together, we have over 35,000 comrades involved in the minibrigade movement. Presently, we have prioritized and are basically involved in the completion of special education schools and polyclinics. For this year, we have scheduled the completion of 12 polyclinics and 20 special education schools. We have already completed some of the polyclinics on the schedule, and we still have 11 more to finish. Tomorrow, we are going to inaugurate some of the ones we have finished—there were five which still needed to be inaugurated. We also have a plan for the schools....

[Castro, interrupting] Chavez, are there five or six?

[Chavez] Six, that is right, six will be inaugurated. Right now, we have also prioritized all the.... [changes thought] We are working on obtaining and finishing the prefabricated units to ensure that by August all the schools are already mounted. Therefore, between September and December, we can work on fulfilling this important commitment of 24 special education schools in our capital. This commitment is an answer to a very humane and sensitive need; that is the kind of education this is. As for the case of the polyclinics, which we are also determined to finish them, we have put forth a great effort. Recently, we visited each one of those places. All the human resources are already there, and all the measures have been taken to ensure that this plan is completed.

[Castro] You could also mention the research centers—what they are doing, how they are working, what they are working on. It must also be noted that the capital is a producer of professionals. There are many enterprises; there is a lot of intellectual, scientific work in the capital. I think that is the kind of work we should thrust forward here, in the city. There are many factories. Chavez has not mentioned, of course, the industrial investment plans. There are so many things in the capital that, actually, it is not the same as in the province. There is also Santiago, Camaguey. [Words indistinct] when the provinces report, they also report about their industrial investments. There are many of those investments still being made here. There are investments in scientific research centers. These are important things that are being done here. There are important programs such as those of physical therapy in all the polyclinics. These 20 new polyclinics have a physical therapy room, and therapy rooms are also being added to all the other clinics. There are all these social programs, such as the clubs, the grandparents club, where they exercise, and so on. The capital is a whole world. I think that many things are being accomplished in the capital. It is also the area of the Republic which is the most difficult, complex, and with more problems.

However, what Pupi [not further identified] said yesterday is very encouraging. The theory holds true, the one that Araceli [not further identified] was talking about, in which she said that the fight against crime begins in the child care centers, as well as with the change of all these social conditions. It is also admirable that they [not further identified] have a .05 percent absenteeism rate. It is a noteworthy rate, considering that it is not an 8-hour job, but rather a 10-, 12-, 13-, and 14-hour job. It is noteworthy that this man [not further identified], who was thought to be of the dangerous type, or something like that, is about to join the party. It is also formidable that, in Guinera, the chief of that large female contingent, has a table at the cafeteria to teach people table manners.

I am certain that when we eradicate all those unhealthy neighborhoods, and if we do it with these methods, we will have results. Like I was telling some comrades: It will give us results. If we provide the land, equipment, materials, projects, and we pay them to build their own homes, that will have to give us results. [end recording]

In all the provinces, an arduous effort in construction activities is evident, that is why a large number of completed projects have been reported at this meeting. It is necessary to mention some of those projects, such as housing units, hospitals, child care centers, dams, canals, and the projects of the Turquino Plan. As the meeting has shown in one of its segments, the fundamentals for future development are being established.

[Begin Castro recording] However, I think that our transportation cannot be guaranteed until our automobile industry is well developed, and we are working quickly and hard to attain that level. We are already finishing the blocks [as heard] factory in La Lisa. We are thinking about a fuel injectors factory, and about all its complimentary industries. The people of Guanajay have also made a tremendous effort.

We must continue developing our automobile industry which is very important for us. [end recording]

Deputies Approve Reports at ANPP Session

FL1907180589 Havana Radio Rebelde Network in Spanish 1700 GMT 18 Jul 89

[Excerpts] After making a detailed analysis of the situation, the deputies approved today the reports submitted by the Supreme People's Tribunal and the Attorney General which focused on the implementation of the new Penal Code. This took place during the morning session of the Fifth Regular Session of the Third National Assembly of the People's Government [ANPP] which is in progress at the Palace of Conventions with the attendance and active participation of Commander in Chief Fidel Castro. [passage omitted]

The causes and main perpetrators of illegal slaughtering of cattle, absences at work centers because of the attendance to judicial and similar activities, and the treatment of labor issues, were also subjects that were analyzed by deputies as a result of the two reports. The commander in chief commented on this.

[Begin Castro recording] Perhaps the day will come when we may have a labor law that is more appropriate for the construction of socialism. Construction of socialism is a serious and difficult task. This is being shown by the historic experience of some of our brothers. In my judgment, one of the things that slows down and halts development of socialism, among others, is the paternalistic labor law existing in this country. It does not help the good laborer but mainly helps the marginal laborer, laborers with more social problems. This is the truth. [end recording]

During the morning session, the ANPP approved a document read by Deputy Jorge Enrique Mendoza in which the Cuban Parliament paid tribute to our national poet Nicolas Guillen, who was buried this morning at the Colon Cemetery.

Ciego de Avila Province's report back is being read at this time to the deputies participating in the meeting which is scheduled to end today. An announcement will also be made today indicating the province and organization that will report back to the ANPP next December.

More Internationalists Return From Angola

FL1407150589 Havana Tele-Rebelde Network in Spanish 1100 GMT 14 Jul 89

[Excerpt] A new group of Cuban internationalist combatants returned to the fatherland last night from the People's Republic of Angola. They were met at the airport by Comrade Rosa Elena Simeon Negrin, alternate member of the Communist Party of Cuba Politburo and president of the Cuban Academy of Sciences. Brigade General (Moises Llowon) and other leaders, chiefs, and officers of the Revolutionary Armed Forces and the Interior Ministry were also present to greet the returning combatants. [passage omitted]

Combatants in Fatherland

FL1507114489 Havana Radio Reloj Network in Spanish 1105 GMT 15 Jul 89

[Text] The almost 150 internationalist combatants who arrived in the fatherland within the past few hours bear medals on their chests in recognition of the brave missions they carried out. Of these heroic combatants, 146 bear the Cuba-People's Republic of Angola Victory Medal, 21 bear the Defense of Cuito Cuanavale Medal, and 32 bear the FAR [Revolutionary Armed Forces] Distinguished Service medal. The group, which is headed by Colonel Miguel Alvarez Martin, has the honor of having among its members two men who received the Calixto Garcia and Ignacio Agramonte Medals, both second class.

Rosa Elena Simeon, alternate member of the Communist Party of Cuba [PCC] Politburo, and other PCC and government leaders greeted the combatants.

Internationalists Render Honors

FL1507183289 Havana Tele-Rebelde Network in Spanish 1700 GMT 15 Jul 89

[Text] Today, the Cacahual Mausoleum was again scene of the ceremony in which our internationalist combatants, who returned from Angola, rendered honors to General Antonio Maceo, his aid Panchito Gomez Toro, and Comrade Blas Roca Calderio.

The combatants are again with the people to continue the work of the Revolution and to continue being an example in work, study, and any tasks that need to be fulfilled.

The ceremony was presided over by Rosa Elena Simeon, alternate member of the Communist Party of Cuba [PCC] Politburo; Maria Luisa Suarez, who greeted them on behalf of the mass organizations; and Brigade General Moises Sio Wong.

The main speech was given by Rene Rodriguez, member of the PCC Central Committee.

PCC Member Welcomes Group

FL1907140989 Havana Tele-Rebelde Network in Spanish 1100 GMT 19 Jul 89

[Excerpt] Another contingent of internationalists has arrived in our fatherland from the People's Republic of Angola. The 150 soldiers bear the Cuba-Angola Victory Medal, and one of them bears the Ignacio Agramonte Medal, third class.

The combatants were received at the airport by Pedro Miret, member of the [Communist Party of Cuba, PCC, Central Committee] Politburo; Dora Carcano, secretary general of the Federation of Cuban Women and member of the PCC Central Committee; and high-ranking officers of the FAR [Revolutionary Armed Forces] and MININT [Ministry of Interior]. [passage omitted]

Ship Arrives With Armaments

FL1707211389 Havana Radio Reloj Network in Spanish 1942 GMT 17 Jul 89

[Text] At 0750 today, the first ship carrying weapons and combat equipment belonging to our internationalist troops arrived from the People's Republic of Angola.

Division General Joaquin Quintas Solas, chief of the Central Army and member of the Communist Party of Cuba Central Committee, welcomed the crew, as well as the group of internationalists arriving on the ship.

The information received by our editorial section adds that the cargo's arrival is in accordance with agreements established between the Cuban and Angolan Governments to withdraw the contingent of Cuban internationalist troops from Angola. This agreement is part of the framework to find a solution to the problems in southwest Africa, particularly regarding Namibia's independence, states a note from the Revolutionary Armed Forces Ministry.

Weapons Unloaded in Mariel

FL1907134789 Havana Tele-Rebelde Network in Spanish 1100 GMT 19 Jul 89

[Text] The ship "(Skulptor Konenfo)", first of the roll-on/roll-off type which transports Cuban weapons from the People's Republic Angola, has arrived at the Mariel Port of Havana where it unloaded its cargo.

Division General Ulises Rosales del Toro, first vice minister of the FAR [Revolutionary Armed Forces] and chief of the General Staff, along with a group of generals, chiefs, and officers of the FAR welcomed the crew and the group of Cuban internationalists who traveled on the ship.

In this manner, Cuba begins to fulfill the gradual withdrawal of weapons belonging to the internationalists in Angola, in accordance with the agreements signed to that effect with the brother African country.

Attorney General De la Cruz Comments on Crime

FL1907204889 Havana Television Service in Spanish 0000 GMT 19 Jul 89

[Excerpt] The discussion of the reports and documents submitted by the Attorney General's Office and the Supreme Tribunal ended during the morning session. They were approved by the National Assembly of the People's Government [ANPP] after an extensive analysis of the various aspects was made.

Attorney General Ramon de la Cruz gives us his impressions of the debates:

[Begin recording] [Unidentified reporter] Comrade Prosecutor, could you make an assessment of the report presented by you to the ANPP?

[De la Cruz] I believe that the most important aspect of the report was to provide the ANPP with as much information as possible on the status of crime in the country and law in general. As it was seen in the ANPP, we have had a real drop in crime since November 1988. There has been a real drop of crime by several thousand criminal acts. This was achieved through a number of preventive measures that were taken in the country and the better functioning of law enforcement organizations. I believe this fact and all the discussion centered on this problem were important.

I also believe that the proposal made by the ANPP and the commander in chief to continue with this policy aimed at reducing crime is important. We all know that crime is not going to disappear overnight but we believe we have the conditions to fight against it efficiently not only through the work of repressive organs such as the prosecution, police, and tribunal, that is confrontational organizations, but also with preventive actions and all social actions that the Revolution has taken which aim and should aim at reducing crime more and more.

Economic controls, how to achieve a better financial and economic discipline as a result of audits, and state inspections in an attempt to achieve a better state discipline in our country were also discussed. The discussion was useful and concluded that we should continue to strengthen the policy we are currently following to achieve a better discipline in the entire state sphere by creating greater and more efficient economic controls. [end recording] [passage omitted]

Caribbean Affairs

Brian Canty Appointed Governor of Anguilla

FL1807222089 Bridgetown CANA in English 2010 GMT 18 Jul 89

[Text] Hamilton, Bermuda, July 18, CANA—Deputy Governor of Bermuda Brian Canty is to be the new governor of Anguilla, official sources here said. Canty will be replaced by John Kelly, Britain's representative in Grenada at the time of the 1983 U.S. invasion.

Canty, 57, confirmed he is to leave Bermuda on September 1, after nearly three years in post, but said protocol forbade him from confirming his next posting.

An official announcement of his appointment in Anguilla is expected from London within the next few weeks.

London-born Canty, married with two children, is no stranger to the Caribbean as he was head of the British Foreign and Commonwealth Office West Indies and Atlantic Dependent Territories Section for seven months before moving to Bermuda in October 1986.

He also served as first secretary in the British Embassy in Kingston Jamaica between 1977 and 1979. When he came to Bermuda he admitted his main ambition was to become governor of a British colony, but said it was unlikely as the number of territories was dwindling.

Canty who was awarded the OBE in the June 1988 Queen's Birthday Honours List started his working career as an electrical engineer with the Royal Navy, before joining the British Ministry of Defence in 1957. He joined the Foreign Service in 1970 and has served in Austria and Norway.

Kelly, 47, his replacement in Bermuda, was Britain's resident representative in Grenada from 1982-86. He was awarded the MBE in 1984.

Kelly married with two children joined the diplomatic service in 1959 and served in the Congo, Egypt, West Germany and Belgium before going to Grenada.

He is currently working in London arranging a royal tour of the Middle East.

Caricom

More on Playing of British Anthem at Summit

FL1407124889 Bonaire Trans World Radio in English 1130 GMT 14 Jul 89

[Text] The playing of the British national anthem at the recent Caricom [Caribbean Community] summit in Grenada has prompted suggestions for independence by the chief minister of Montserrat.

Chief Minister John Osborne said the playing of "God Save the Queen" was an embarrassment to him and had no place at the Grenada summit. Mr Osborne is known to be an advocate of Montserrat's independence and said the island should stand on its own.

Mr Osborne is advocating the creation of what he calls a Caricom anthem for Montserrat.

Leader on Organization's Budget Problems

FL1407184889 Bridgetown CANA in English 1623 GMT 14 Jul 89

[Text] Georgetown, Guyana, July 14, CANA—The Caribbean Community (Caricom) Secretariat has delayed the leave of some of its staffers as it buckles down to the making of in-depth studies of the budgetary and other implications of decisions of the just concluded Tenth Caricom Summit.

Caricom Secretary-General Roderick Rainford told newsmen that he and his staff had returned to Georgetown from the July 3-7 summit in Grenada "acutely conscious" of "the tremendous amount of additional work that the secretariat will need to do." He said one of the tasks "uppermost" in the secretariat's mind is the working out of the "format and organisational basis" for implementing the heads agreement that they should meet twice annually. He said the heads agreement was indicative of the "greater sense of urgency" now being attached to the integration movement.

But he added: "Beyond that—at the practical level—exactly how we are going to manage it, is something that is the subject of very intensive study within the secretariat at the moment."

Rainford said that the average size of the secretariats annual budget is now about EC10 million dollars and it has been pegged at that level for the last three to four years.

"We really haven't seen any growth in our budget over the last three or four years which means that, in real terms, our budget has been falling because cost has been going up while the budget remains at the same level", the Jamaican-born economist said. He pointed out, however, that "the general mood" of the summit conference "was one of recognition that the...new path-breaking initiatives they were embarking upon have budgetary implications," which will have to be worked out and submitted.

He said his own expectation is that once the necessary work has been done, member states will be addressing in a responsible manner, the question of the budgetary implications of all that is to be done. He noted that the heads were conscious of the budgetary implications of their decisions and pointed to the fact that in accepting the proposal for setting up a commission of eminent West Indians to promote the purposes of the Treaty of Chaguaramas, the commission was empowered to seek contributions to its budget from member states and external sources.

Meanwhile, Rainford also indicated that lately, the secretariat has been giving some thought as to whether it should not be provided with a biennial budget which could be reviewed annually.

Approval of the secretariat's annual budget is currently done in July each year by the Council of Ministers in keeping with a decision by the heads of several years ago to delegate this specific responsibility to the council.

Barbados

'No-Confidence' Motion Against Minister

FL1907134489 Bonaire Trans World Radio in English 1130 GMT 19 Jul 89

[Text] Parliament, yesterday, began a debate on a no-confidence motion against Agriculture Minister Warwick Franklin. The motion is being sponsored by the newly formed National Democratic Movement of former Finance Minister Richie Haynes. The no-confidence motion says Mr Franklin has failed to institute policies to prevent, alleviate, or revert the serious decline in agricultural output. The motion will likely be defeated, because Prime Minister's Erskine Sandiford's party has 20 of the 27 seats in parliament.

Dominican Republic

Nurses, Technicians Join Doctors in Strike

FL1807224289 Havana Radio Reloj Network in Spanish 1954 GMT 18 Jul 89

[Text] Today, nurses and health technicians in the Dominican Republic began a 48-hour general strike. Meanwhile, over 7,000 doctors are on their 5th day of strike.

State and social security doctors abandoned the hospitals this past weekend [15-16 July] when the government rejected their demands for a 100 percent increase in wages. To replace the personnel on strike, the Dominican authorities have hired some 1,000 doctors who are affiliated to the ruling Social Christian Reformist Party and some 600 military doctors. However, these are not enough to satisfy the population's needs.

In addition to strikes by workers and health technicians, there are also some 32,000 teachers on strike. The teachers, who left their jobs 52 days ago, are also demanding higher salaries.

Grenada

Board of Inquiry To Investigate Government Bodies

FL1707134889 Bridgetown CANA in English 1725 GMT 17 Jul 89

[Text] St George's, Grenada, July 15, CANA—Grenada's prime minister, Herbert Blaize, on Friday night announced the appointment of a three-member commission of inquiry to look into the operations of several statutory bodies and government departments.

In making the disclosure in his weekly broadcast to the nation, Blaize said the commission would inquire into the conduct, management, and overall operations of the statutory bodies and departments identified. The commission will be headed by retired superintendent of public works Clive Belizaire, and includes civil servants Andy Mitchell and Cecelia Quashie.

Blaize told the nation that government decided to set up the commission in light of frequent complaints from the public over their operations.

Five of the nine statutory bodies and government departments to be investigated fall under the portfolio of Blaize's arch-rival in the four-year old government, Public Utilities Minister Dr Keith Mitchell. These are

Grenada Rock and Asphalt, Grenada Gravel and Concrete Ltd, Central Garage, Community Development, and the Roads Division of the Ministry of Works.

The other four to be looked at are the Lands and Survey Division of the Ministry of Agriculture, the Trade Division of the Ministry of Finance, Fisheries Division of the Ministry of Education, and the Solid Waste Division of the Ministry of Health.

In the case of the Grenada Gravel and Concrete Products Limited, it is managed by executive member of the ruling New National Party (NNP) Malcolm Antoine, a close political ally of Mitchell. Antoine was recently endorsed as the party's caretaker candidate for the rual St Marks constituency replacing Minister of State for Finance Felix Alexander, a staunch supporter of Blaize.

The inter-party rivalry between Blaize and Mitchell took a turn for the worst in January when the former replaced the latter as NNP political leader at the party's annual convention.

The inquiry is coming at a time when government has only eight months remaining in office since general elections have to be held by March at the latest. Blaize gave no details on the time-frame in which the commissioners are to submit their report back to government.

Mitchell Takes Inquiry Personally

FL1807131589 Bridgetown CANA in English
2251 GMT 17 Jul 89

[Text] St George's, Grenada, July 17, CANA—Grenada's Public Utilities Minister Dr Keith Mitchell is convinced that a government-ordered commission of inquiry set up to probe the operation of nine statutory bodies and government departments is directed at him.

"I have no doubt that this is an anti-Keith Mitchell move," declared the leader of the ruling New National Party (NNP) in an interview with the CARIBBEAN NEWS AGENCY (CANA). Mitchell, who is engulfed in a bitter leadership fued with ageing and ailing 71-year-old Prime Minister Herbert Blaize, was making his first public comment on the proposed inquiry.

BLaize, who formally announced it over the weekend, has asked the commissioners to inquire into the conduct, management, and overall operations of nine statutory bodies and government departments—five of which fall under Mitchell's portfolio: Grenada Rock and Asphalt, Grenada Gravel and Concrete Products LTD, Central Garage, Community Development, and the Roads Division of the Ministry of Works.

The other four are the Lands and Surveys Division of the Ministry of Agriculture, the Trade Division of the Ministry of Finance, Fisheries Division of the Ministry of Education, and the Solid Waste Division of the Ministry of Health.

Mitchell linked the inquiry to his participation in the party's "democratic process" last January, when he defeated Blaize in the battle for the political leadership of the NNP. "I have been told since that time by some top members close to the prime minister that they were going to get me for that," he said. Mitchell described the inquiry as nothing but a smoke screen and felt confident that they would come through it with clean hands, since he had to hide.

"I have nothing to worry about since I have done nothing wrong," he said.

Mitchell expressed disappointment with the government's failure to probe the operations of some key operations run by other senior ministers. He mentioned the Carnival Development Committee (CDC) under Education Minister George McGuire, Blaize's own Ministry of Information, and the Legal Affairs Department over the past four years.

He pointed to criticism of Grenada Airways, which collapsed leaving government with a debt of nearly two million U.S. dollars, the Eastern Main Road project, the Central Water Commission, and a block plant set up by the family of another cabinet colleague. He concluded that governments failure to "have these things investigated" by the commission is an indication that "the charges that the opposition were making were groundless."

Haiti

Biabmy's Mother Sends Letter to U.S. Embassy

FL1807141389 Port-au-Prince Radio Haiti-Inter
in French 1100 GMT 17 Jul 89

[Excerpt] [Passage omitted] Mrs (Ketly) Biamby, Philippe Biamby's mother, has written an open letter to the U.S. Embassy in Port-au-Prince. The letter is addressed to the ambassador and dated 14 July 1989. We quote:

Mr Ambassador: Following your press release carried over the different radio stations in the capital on Friday, 14 July 1989, I take this opportunity offered me—which coincides with the 200th anniversary of the French Revolution, symbol of freedom—to provide some necessary corrections to your dishonest assertions.

Citizens of my country, Haitians who are in tears—like my son, who gave the nation the gift of his life—please note that neither he nor I have ever renounced our nationality, which is part of our patrimony, and of which we are proud.

Following the unfortunate events of April 1989 that threw our nation into mourning and the measures of, quote, clemency, unquote, of the president of the Republic, my son, Colonel Philippe Biamby, had to leave the country. He had to leave his country—which he had faithfully served for close to 20 years—handcuffed and in disgrace like a vulgar criminal, for the Dominican

Republic! And this in contradiction to General Avril's dispositions of, quote, clemency, unquote, and the fact that an embassy and certain members of a de facto government had ensured him that following an understanding reached between the two countries, he could freely and with impunity go to the United States of America via the Dominican Republic.

My son, a former military student, the beneficiary of scholarships from the United States of America, attended several training programs at Fort Benning and in Texas. He could not for one minute have suspected the breach of faith and the vicious trap awaiting him.

Indeed, barely had he gone through immigration at the Miami, Florida, airport when federal employees asked him to follow them for quote, security reasons, unquote. These reasons turned into a deportation to New York City, where he was imprisoned in a state penitentiary without any other form of trial and without any explanation, and to this day, that is where he is.

While my son is to this date still illegally imprisoned, while he has violated no American law, as your press release says, while he is on a hunger strike hoping to provoke a reaction from public opinion and learn the full details of his arbitrary imprisonment, I call upon you, in the name of this freedom of which our country is proud and which your government is trampling by illegally and arbitrarily detaining my son, to release him immediately so that he can obtain asylum in some other country, a country not inhabited by such villains.

And the letter ends with: I pointedly do not salute you, Mr Ambassador.

The letter is signed: Mrs (Ketly) Biamby.

After addressing this letter to the U.S. ambassador in Port-au-Prince on 14 July 1989, Mrs Biamby decided to begin a hunger strike this morning, saying: If Philippe dies, I die too. [passage omitted]

Radio Soleil Resumes Broadcasting News Section

FL1807204889 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 17 Jul 89

[Excerpts] Ladies and Gentlemen, Radio Soleil listeners all over Haiti, a very good afternoon to you all once again. The news section is happy to be back today, to continue the tradition established with our listeners a long time ago and resume our newscasts—at 0700, 1430, and 2030. We will now pass the microphone to Elia Lafleur, who has not been on the team for very long and who would like to say a few words too.

[Lafleur] After more than 2 weeks of almost total silence, Radio Soleil is this week going to begin to build back up to its cruising speed. Several broadcasts, such as the newscasts, will be resumed.

On the occasion of this resumption, the administration and the entire team apologize to listeners.

We had a little chat with Father Arnoux Chery, who told us that Radio Soleil will continue its work—but without ever forgetting that Radio Soleil is a Catholic radio. We are going to listen to an excerpt from Pierre Lamy's interview with Father Arnoux Chery.

[Begin recording] [Lamy] [Passage omitted] During this period of silence, many people said that Radio Soleil was finished, that it had lost its prestige. Others said that they would wait and see. Still others said a change was needed. Many such things were said, but each led off in a different direction, depending on the person or the group. We think that as director of Radio Soleil, it is you who should say a word about all these things that are being said.

[Father Chery] [Passage omitted] We, the Catholic Church, and thus Radio Soleil, have no prestige to lose, because our prestige—the prestige of the Catholic Church, the prestige of Radio Soleil—lies in Christ, whom they nailed on a cross between two thieves.

[Lamy] A radio, Father Arnoux, is not just equipment, or programs and the people who present them. A radio is also its listeners, and since we are doing what needs be done to continue to satisfy our listeners, I ask you what we ourselves of Radio Soleil are expecting from them.

[Father Chery] Well Lamy, that question has two parts: what we are going to do for the listeners and what we expect from the listeners.

What are we going to do for the listeners? As you and I know—and we can speak for the team that is with us—we are going to prepare a Catholic radio for them. A Catholic radio! Because it is a Catholic radio that they need to support their faith, to accompany them in their struggle.

That is what, in fact, the bishops said in their last communique. I quote: That is why we invite God's people in Haiti to show they understand with their heart, that they can reason well—because as we all know, this people has convictions. The Catholic Church wants to maintain its commitments. It wants to remain faithful to the mission entrusted to it by God.

Why, Lamy, the Catholic Church has been with the people for a long time! Would it abandon the people now? Today? At such a moment?

[Lamy] One last question, Father Arnoux, regarding the team at Radio Soleil, which is currently made up of people who were already at Radio Soleil and of new people. What can Radio Soleil listeners expect from the current Radio Soleil team?

[Father Chery] Well Lamy, there is something logical. First of all, we must see that we have a team here made up mostly of new people, and we weren't born knowing everything. There is a matter of adaptation. [passage omitted] I mean, we are still determined to do a good job, work that is solid, so as to broadcast accurate information—information that is at the same time educational, in the direction of evangelization, and so forth. However, we are now just starting. Our listeners must be very understanding toward us. They cannot expect an expert performance. [passage omitted] [end recording]

Father Arnoux added that all the Radio Soleil programs that were important for the Haitian people will resume as soon as they are prepared to put them back on the air, because Radio Soleil is not backing off from its proper commitment to the Haitian people regarding the work of evangelizing, educating, informing, and providing entertainment for all, as all the bishops recently stated.

Further on Radio Soleil

FL1807150289 Bonaire Trans World Radio in English 1130 GMT 18 Jul 89

[Text] Haiti's independent Radio Soleil is back on the air with a new staff of on-air personnel. The station reopened yesterday after regular broadcasts were disrupted in a labor dispute. Radio Soleil has broadcast music and prerecorded programs since the strike began June 26th. The strike was in protest of the firing of the programs director and a shift in station philosophy. Other staffers were fired and by mid-June, only one-fourth of the original staffers remained.

CEP Extends Period for Meeting With Leaders

FL1807183889 Port-au-Prince Radio Metropole in French 1600 GMT 17 Jul 89

[Excerpts] The Provisional Electoral Council [CEP] has decided to continue its meetings with political leaders until Wednesday, 19 July. [passage omitted] Leaders of more than 20 parties and organizations have thus far been received by the members of the CEP, who have collected their suggestions and recommendations to set up an electoral calendar.

Last Friday, at the end of the period originally set aside for these discussions, the CEP decided to hold such meetings for 3 more days—from Monday through Wednesday, 17-19 July.

CEP Committed to Elections

FL1907124989 Port-au-Prince Radio Nationale in Creole 1300 GMT 18 Jul 89

[Excerpts] The business of elections is at the center of the news these days in the capital. We remind listeners that the Permanent [as heard] Election Council [CEP], which is fully committed to holding general elections throughout Haiti, has been meeting 7-14 July with political parties and groups, civic-political organizations, and certain civic and political figures, who have shown their desire to help the CEP with its difficult mission of holding general elections throughout Haiti. [passage omitted]

Here are the points discussed during these meetings: the probable period for starting the elections—when they might be able to begin the series of elections in Haiti; the stages in the organization of the elections—what elections to begin with; the participation in the elections by our compatriots who live abroad; elections for rural police agents; and the problems that the electoral lists might present.

Several leaders of parties and popular organizations gave their opinions on these things. We will also tell you what political parties and groups participated—who the CEP has already received.

For the parties, we have: Panpra [Nationalistic and Progressive Revolutionary Party of Haiti], MDN [Mobilization for National Development], Conacom [National Committee of the Congress of Democratic Movements], PAIN [National Agricultural and Industrial Party of Haiti], MNP-28 [National Patriotic Movement of 28 November], Paradis [Haitian Party of God], PNDT [National Party for the Defense of the Workers], and (PUNH) [National Haitian Unity Party].

For the human rights organizations we have: Chadel [Haitian Center for the Defense of Public Freedoms] and the Ecumenical Center for Human Rights.

For the civic organizations we have: IHRED [International Research and Development Institute of Haiti], Organization for the Defense of Densely-Populated Neighborhoods of Haiti [ODKPH], Association of Workers Committed to the Development of the New Haiti, the movement called Rasin [Roots], Portail Leogane Young People's Association, Association for Aid to the Blind, National Union for the Defense of Democracy and Human Rights, a delegation from Vallieres in northwestern Haiti, Haitian-American Community Association [preceding name in English] from Miami, Florida, and (Kovitmoje) [Committee for Vigilance Against Evildoers].

Civic personalities already received by the CEP are: Mrs Odette Roy Fombrun and Jean-Claude Roy.

Political personalities already received by the CEP are: former senator Reynold Georges, Claude Raymond, and former deputy for Port-au-Prince Antoine Fedner Denose.

In order to allow other political parties, groups, and personalities to also make their contribution to the CEP's work, the CEP has extended the period allotted for these meetings. The meetings continued yesterday, Monday, 17 July, and will be extended through Wednesday, 19 July.

28 Nov Patriotic Movement Sends Message to CEP

FL1907130989 Port-au-Prince Radio Nationale in Creole 1300 GMT 18 Jul 89

[Text] The MNP-28, which is Dejean Belizaire's National Patriotic Movement of 28 November, feels elections have become a priority in Haiti. In a memorandum addressed to the members of the Provisional Election Council [CEP], MNP-28 says it feels the Haitian Government should count essentially on national resources to organize and hold elections. It shouldn't extend its alms bowl to foreign countries to ask for aid.

The elections should be held in three steps and from the bottom up, says the MNP-28. For example, continues the MNP-28, first the Casec [Administrative Council for the Communal Section] and municipal elections should be held, then legislative elections and, lastly, the presidential elections.

MNP-28 thinks candidates should be allowed to run either as independents or under the banner of a political party or group.

Considering the nation's political juncture, which is a truly difficult one, we should avoid being hasty but, nevertheless, not drag out the electoral process, Belizaire says.

Lastly, Belizaire thinks the entire electoral process should take place within a period not exceeding 13 months from the date the election calendar is published.

That is the MNP-28, addressing itself to the CEP on the elections to be held in Haiti in the not too distant future.

Establishment of Democracy Movement on Elections

FL1807193889 Port-au-Prince Radio Metropole in French 1600 GMT 17 Jul 89

[Text] We have here the proposals of Marc L. Bazin's MIDH [Movement for the Establishment of Democracy in Haiti] presented to the CEP [Provisional/Permanent Election Council] regarding the election calendar. According to Marc Bazin's party, the way out of this crisis is to hold honest, unfettered, democratic elections.

The MIDH says general elections at all levels should be held to allow a new, normal and coherent, institutional order to be in place by 7 February 1990. If, for practical, technical, or material reasons, it should appear difficult to validly hold all elections at once before February 1990—all the electoral operations—and if it turns out to be indispensable to proceed by steps, the MIDH recommends that elections begin, not with elections for section chiefs or Casec [Administrative Council for the Communal Section] members, but with municipal elections, followed by legislative and presidential elections in a second phase.

Municipal elections should be held in October of 1989 and legislative and presidential elections at the end of December 1989 or the beginning of January 1990.

An additional advantage of starting the election process with the municipal elections would be that the municipal elections could be used as a support and foundation for launching voter registration operations. All citizens in a given commune would be allowed to vote without going through the formality of having first had to register. However, a practical apparatus would be established to register the voter on the electoral lists for that election, and to deliver him his voter registration card either right then and there or shortly afterwards. This card would then be valid for all later elections.

Voters who didn't vote in the municipal elections but who would like to register to vote in later elections, could do so at any time in the period between the municipal elections and the next elections, which would be the legislative and presidential elections that would be held simultaneously.

These, then, are the recommendations the MIDH made to the CEP.

Newspapers Focus on Gregory Delpe's Death

FL1807201489 Port-au-Prince Radio Metropole in French 1600 GMT 17 Jul 89

[Press review]

[Excerpts] It is the death, linked to the climate of insecurity, of young engineer Gregory Delpe that retains the attention of last weekend's edition of the Haitian periodicals.

HAITI-OBSERVATEUR's headline reads: Loathsome murder of Gregory Delpe, one more crime to add to the many victims of a climate of generalized insecurity skillfully maintained by expert hands. The periodical notes the offensive to depoliticize this murder which was evident in the press conference held at police headquarters in Port-au-Prince last 8 July. And the paper wonders: What are the designs of the police in this sad affair?

HAITI EN MARCHE's headline reads: Insecurity: Who is seeking to destabilize whom? The periodical feels Gregory Delpe's murder marks a turning point, because this new blaze of violence has a much more political character than the preceding ones. The paper stresses that these acts are occurring right after General Prosper Avril's statements over television to the effect that he has recovered control of the Army.

HAITI-PROGRES feels that in the murder of Gregory Delpe, the police have become the accomplice of the death squads—because, says the paper, it is striking to note that when, for once, the police bothers to investigate a murder, it is in order to turn on the victims, casting doubt on their statements. [passage omitted]

Insecurity: Between resigning oneself to failure and implosion, writes Jean L. Theagene in LE PETIT SAMEDI SOIR. In this article, the author notes that Haiti is at war with itself. From the communal section to the village and from the village to the town, death is generated by assassins who do not even respect children or women, the bearers of life and of light. So there you have it. That's where we are after 3 years of childishness and of political fits and starts, writes Theagene.

The big event this weekend is without a doubt the arrest in the United States of Haitian politician Clemard Joseph Charles, a former collaborator of Papa Doc's and an unsuccessful candidate to the Presidency in the aborted elections of 1987. [passage omitted]

Youth Movement Members Released, Rearrested

FL1807180089 Port-au-Prince Radio Haiti-Inter in French 1100 GMT 17 Jul 89

[Excerpt] Five young people from Labadie were released following the intervention of a human rights delegation of lawyers. They were then arrested again because the MJL, Labadie Youth Movement, had allegedly accused the military commander of Petite Riviere de l'Artibonite, (Maxi Maxim), of demanding money from the prisoners. Lieutenant (Maxim) categorically denies this accusation. Also, a sixth member of the MJL has been arrested. According to the soldiers from the outpost in Labadie, they have instructions to block any and all communist meetings in the area. Our correspondent will give us details.

[Correspondent Oris Fritzson, in Creole] Prudent Juste and four companions, members of MJL were arrested in (Labaret) on 10 June [month as heard]. They are still in jail at the barracks in Petite Riviere de l'Artibonite, despite the intervention of two human rights lawyers—Renan Pierre from the Lafontant Joseph Center for Human Rights and Gerard Toussaint from the LAPPH [League of Former Haitian Political Prisoners]—yesterday, Friday, 14 July, from subdistrict commander (Maxi Maxim).

At a meeting between the lawyers and the commanding officer, which lasted more than 2 hours and which we attended, the commander had agreed to release the men, for they had not been arrested in conformity with the law. An agreement had been reached and the commander had told the men they could go when a corporal from the barracks named Schmidt came and told the commander that he had heard over the radio that the commander had accepted 400 gourdes from each man for his release. The commander then threw the men back in jail, in the absence of their lawyers. They might be taken to court next Monday, if possible.

The commander also asked us to inform the public that only one of the men, Prudent Juste, is an MJL member. The commander says the others are members of a farmers organization.

The human rights organization lawyers delegation also went to Labadie, where Corporal Alexis Augustin, who is in charge of the Labadie outpost, declared that he had received orders to allow no meetings to be held in that area.

The declarations of both the commanding officer and the soldiers at the outpost clearly show that there really is some kind of communist business being settled out there. We will come back to this matter later.

Meanwhile, another young man has been arrested in Labadie. His name is Schmidt Blanc. Bernadette Blanc, Schmidt's sister, said this arrest took place at around 2000 on Wednesday, 12 July. Schmidt Blanc was arrested because of a complaint by Zael Deronville, who told the police that Schmidt has sent word to him not to set foot in Labadie, threatening to chop off his head if he did. Zael lives in Verrettes.

Bernadette says Zael wounded Schmidt's brother-in-law named Brio Mateus last month, over a matter of some money. Bernadette says that when they got to the barracks, the police learned that Schmidt is the cousin of Deguy Maitre, an MJL official, and she says that that is the main reason they are keeping him in jail. It also seems Schmidt is in great danger (?of being) beaten in prison; and Bernadette says that today, [words indistinct] refused to accept food from her for her imprisoned brother. [passage omitted]

Italians Give Haiti $700,000 Worth of Rice

FL1807183089 Port-au-Prince Radio Metropole in French 1600 GMT 17 Jul 89

[Text] A press release from the Italian Embassy in Port-au-Prince has reported that the Italian Government will give Haiti a gift of $700,000 worth of medium-length rice this year. The rice is to be delivered to Port-au-Prince next autumn.

In 1988, the Italian Government gave Haiti $2 million worth of foodstuffs. It was handed over to the World Food Program to be distributed to the population affected by Hurricane Gilbert and to charitable organizations, says the press release from the Italian Embassy in Port-au-Prince.

Decree Issued on Distribution of State Land

FL1807132589 Port-au-Prince Radio Haiti-Inter in French 1100 GMT 17 Jul 89

[Monitored in progress]

[Excerpt]... the (?grassroots) associations and peasants groups, upon reading the military government decree and in practice. But let's take a look at this important decree.

It is dated 14 July 1989, and makes reference to Articles 36.3, 36.4, and 36.5 of the Haitian Constitution [words indistinct], precisely, and I quote: Ownership also entails obligations. The land may not be used for anything contrary to the general interest. That is Article 36.3.

Article 34.4 says that the landowner must cultivate, exploit, the land and protect it against erosion and other things. The law provides for sanctions for (?failure to comply) with this obligation.

Article 36.5 says that ownership rights do not apply to the coastal region, springs, rivers, streams, mines, or quarries. These things belong to the state's public domain. The military government decree on the distribution of land concerns the state's private domain.

Article 39 of the Constitution says: The inhabitants of the communal sections have a right of pre-emption for the exploitation of lands from the state's private domain that are located in their community.

For their part, Articles 136 and 247 of the Constitution refer to the functions implementation [as heard] of the nation's Constitution connected with these matters.

Let's take a look at the whereas clauses of this decree.

Whereas it is the government's duty to take any and all measures necessary to redress the nation's agriculture, indispensable source of wealth, by improving techniques to increase national productivity and production;

and whereas to attain these objectives, it is the government's duty to come to the aid of economically weak rural families by putting at their disposal lands from the state's private domain available in the areas where these families reside.

These are the two most significant whereas clauses of this military government decree on the distribution of state-owned lands to the poorest of the peasants.

Article 2 of this decree stipulates, and we quote: The lands available from the state's private domain will be parceled out and distributed to those needy peasant families that may request them. This distribution will be accompanied by the requirement that these families personally work the land during the year they receive it. They must work at least two thirds of the land they are granted. To distribute the land fairly, a census of the families established in the different communal sections will be taken.

Such is the key article, Article 2, of this government decree on the distribution of land.

Article 5: The beneficiaries of these lands will be considered to be usufructuaries of the state for a period of 9 years—a period that is renewable—under the express condition stipulated in Article 2 of this decree. There will be a proper contract between the parties involved and the government regarding these land grants. At the end of each 9-year period, a new request must be made, 6 months before the land grant contract in effect expires. Should the grantee fail to renew the request, the government will intervene to validly give the portion of land in question to another peasant family—one that has not yet received any land.

That was Article 5 of this decree, which grants portions of state-owned lands to peasants requesting them for a period of 9 years, with the option to renew.

Article 6 explains how the decree defines usufructuary. The portion of land thus distributed is indivisible, inalienable, nontransferrable, and cannot be inherited. It remains understood that should the head of household die, the other members of the family may continue to exploit the land for the entire duration of the land grant contract.

Such is Article 6 of this decree.

Article 8 says: To attain the objectives (?laid out) above, a commission in charge of supervising, carrying out, and following up on the dispositions of this decree is hereby created—and the articles that follow lay out the makeup and duties of this commission.

Such is the essence of the military government decree on the distribution of state-owned lands from the state's private domain in the different communes to those needy peasant families that may request them.

We point out that the Ministry of Interior and National Defense and the Ministry of Agriculture, Natural Resources, and Rural Development have the greatest responsibility for carrying out this decree, while the Economy and Finance, Social Affairs, and Justice Ministries come next, to strengthen the execution of this decree, for the commissions [as heard] are made up of representatives of these different ministries, each regarding the powers of its representatives. [passage omitted]

Social Affairs Minister Visits Port-de-Paix

FL1807181589 Port-au-Prince Radio Metropole in Creole 1600 GMT 17 Jul 89

[Excerpts] [Passage omitted] A Social Affairs Ministry delegation headed by Mr Louis Arnault Guerrier arrived in Port-de-Paix last weekend to present a program of social rehabilitation and to appoint Mr Megalos Axius, Radio Nationale's representative, to head the Social Affairs Ministry's office in northwestern Haiti. This office has been closed for some time. [passage omitted]

The Social Affairs minister spoke at length on the development of agriculture and industry. He also discussed the decentralization problem, mobilization measures, the paving of roads, products to exploit, and socioeconomic matters. [passage omitted]

False LE MATIN Report Suprises Cap-Haitien

FL1907205089 Port-au-Prince Radio Soleil Network in Creole 1800 GMT 18 Jul 89

[Excerpt] In Cap-Haitien, a news report carried by a newspaper in the capital is giving rise to a lot of talk. Also, there is a big water problem in Cap-Haitien. Let's listen to our correspondent James Saint-Julien.

[Saint-Julien] An unfounded news report appearing in the 13 July 1989 edition of the newspaper LE MATIN is reportedly causing many people's brains to work overtime in Cap-Haitien.

The report says that the Monday before, the funeral of a person killed on Morne Puilboreau by two criminals took place, and that the funeral turned into a demonstration, with the demonstrators chanting: Long live Jean-Claude! Down with insecurity! Long live the militiamen [also known as Tontons Macoutes]! Down with murderers!

Many people are horrified, and wonder where LE MATIN got that information.

We point out that no Morne Puilboreau victim's funeral was held during the week in question. So how could there be any demonstration? Many people are saying that this time, if LE MATIN said it, it is not true. [a reference to LE MATIN's advertising to the effect that "If you read it in LE MATIN, it's true."]

The only victim of murder on Morne Puilboreau from Cap-Haitien that week was a member of the Dulan Joseph family, and the lady's funeral has to this day not yet been held. [passage omitted]

Directorate of Information Makes Appointments

FL1907133889 Port-au-Prince Radio Nationale in Creole 1300 GMT 18 Jul 89

[Text] By presidential commission, Mr Menan Pierre-Louis has been appointed deputy representative of the Department of the Public Prosecutor to the Court of Cassation. Mr Levelt Dorcile has been appointed representative of the Department of the Public Prosecutor to the civil court of Mirebalais. Mr Yvon Prosper has been appointed surveyor in Petion-Ville.

That was a press release from the Directorate of Information of the Ministry of Information and Coordination.

Director of Housing Fund Named

FL1907143389 Port-au-Prince L'UNION in French No 174, 18 Jul 89 p 5

[Text] The Directorate of Information of the Ministry of Information and Coordination reports that Mr Cavour Delatour has been appointed director general of the National Housing Fund by military government decree dated 11 July 1989.

[Signed] Directorate of Information

Lower Gasoline Price Effective 20 July

FL1907134489 Port-au-Prince Radio Nationale in Creole 1300 GMT 18 Jul 89

[Text] According to a press release we have here from the petroleum companies in Haiti, the price of gasoline has dropped. As of next Thursday, 20 July, gasoline will be 13 cents cheaper per gallon. Thus, as of Thursday, gasoline at the pump will cost $2.07 instead of $2.20.

Jamaica

Fiber Optic Seals Used in Fight Against Drugs

FL1307145489 Bonaire Trans World Radio in English 1130 GMT 13 Jul 89

[Text] Jamaica's Government has ordered 10,000 fiber optic seals as part of a new crackdown on drug smugglers. The crackdown also includes tighter security for carry-on luggage at Kingston's international airport.

Deputy managing director of Jamaica's port authority Kenneth Garrett said yesterday Jamaica is the first country to acquire the use of the fiber optic seals on export-bound containers. Mr Garrett said the $5 seals contain a combination of optic cables and, like fingerprints, no two of them are alike. Whenever a special camera then reads the seals, it will be obvious if the container has been opened.

FIU's Possible Return Upsets Parliament

FL1407121589 Bridgetown CANA in English 1748 GMT 13 Jul 89

[Text] Kingston, Jamaica, July 13, CANA—There were angry scenes in the Jamaica Parliament late Wednesday night when the opposition spokesman on education, Dr Neville Gallimore, suggested that recent security measures introduced at the island's two international airports signalled the return of the Financial Intelligence Unit (FIU).

The FIU was introduced in the 1970's under the previous Michael Manley government to prevent foreign exchange leaving the country illegally. Under the system, which was manned by the police, Jamaican's leaving the island were subjected to body and strip searches.

Under the new system, soldiers are now responsible for security at both international airports. The system was put in place earlier this year when U.S. customs found some 4,000 lbs of ganja aboard an Air Jamaica plane in Miami and fined the airline.

The remark by the opposition spokesman led the minister of finance and the public sector, Seymour Mullings to accuse him of "knowingly telling a lie." An angry exchange then ensued between both sides of the house.

Gallimore, who was debating the government's education policy, accused the government of over-reacting to the drug threat and causing undue hardship on travelers. The country, he said, supported reasonable efforts to stem the drug trade. "(But) if the government has instituted the present restrictive and repressive measures at our airports for reasons other than those declared, such as perhaps the re-institution of the Financial Intelligence Unit of the 1970's without setting it up as a formal unit then they owe it to the nation to so," Gallimore said.

"After all, Mr Speaker, they did promise us a government of openness and truth... are they looking into ladies handbags expecting to find 4,000 lbs of ganja or are they indeed looking for U.S. 4,000 dollars," Gallimore asked.

He accused the government of slipping the FIU back into operation under guise and said by doing so the government was only inculcating the prinicipal of dishonesty into "our citizens."

Nation's Imports Increase During April

FL1407205089 Bridgetown CANA in English
1904 GMT 14 Jul 89

[Text] Kingston, Jamaica, July 14, CANA—Total imports into Jamaica continued to climb during the month of April, with imports for the month up by some U.S.40 million dollars over the corresponding period last year, the FINANCIAL GLEANER reported on Friday.

Imports for April were valued at U.S. 147 million dollars, said the weekly publication of the GLEANER newspaper.

Total imports for the first four months of this year stood at U.S.560 million, an increase of U.S.107 million dollars over the 1988 figure.

While consumer goods and raw material imports both increased substantially for the first four months of the year, the largest increase took place in the capital goods category. Capital goods imports totalled U.S.181 million dollars up to April of this year. This was U.S.47 million or 35 percent more than the import level for the same period last year.

Construction materials imports totalled U.S.71 million dollars for the first four months of the year, U.S.30 million dollars more than last year.

Raw materials imports on the other hand, was U.S.262 million dollars for the first four months of the year, U.S.38 million dollars or 17 percent more than the same period last year.

In the raw materials category, food imports fell by U.S.10 million to U.S.36 million dollars in the Janaury to April period this year compared with the same period last year, while fuel imports rose by U.S.21 million dollars to U.S.80 million dollars.

Consumer goods imports totalled U.S.117 million dollars up to April of this year. This was U.S.23 million dollars more than the level for the same period last year.

The main increase in consumer goods was in the food category, imports of which totalled U.S.60 million dollars in the first four months of the year, which was some U.S.19 million dollars more than the corresponding period last year.

Fires Destroy Medical Supplies Building

FL1707191089 Bridgetown CANA in English
1600 GMT 17 Jul 89

[Text] Kingston, Jamaica, July 17, CANA—Separate fires over the week-end caused thousands of dollars damage to two buildings which stored medical supplies and equipment for Jamaica's health sector.

On Sunday afternoon, large quantities of medicines, dressings, chemicals, and other sundry supplies were destroyed when fire gutted a section of the Island Medical Stores in the industrial section of Kingston. According to the building caretaker, Herman Smith, the fire began just before 1:00 p.m., shortly after two container loads of supplies had been delivered. Noticing smoke coming from the delivery area, he said he investigated and found that a pile of empty boxes was ablaze.

The fire service was called, but by that time the flames had been fanned by the heavy breeze. Fire officials were unable to state the precise cause of the fire.

Early on Sunday morning, fire broke out at Jamaica Hospital Supplies Limited in Half Way Tree some three miles from the city centre and destrioyed part of the building and equipment. The cause of the fire is not yet known.

Trinidad and Tobago

President Pardons 500 Prisoners for Celebration

FL1507163689 Bridgetown CANA in English
1623 GMT 15 July 89

[Text] Port-of-Spain, Trinidad, July 15, CANA—Trinidad and Tobago's head of state, President Noor Hassanali, has pardoned one of the biggest batch of prisoners for 1989 independence celebrations next month, officials announced here this weekend. 500 prisoners, jailed for minor wounding and robbery offences, are to be released between now and August 31—the country's 27th Independence Day.

Prison authorities said they released the first batch—32 men and women—on Friday. Most of those granted pardons were serving sentences below two years.

To mark 25 years of independence, Massanali had pardoned eight people, three from death row and others who had previously seen their sentences commuted to life.

The latest large batch of pardons comes as Trinidad and Tobago seeks to build more prisons to house the growing number of criminals being caught by police.

On Tuesday, national security minister, Selwyn Richardson, outlined figures to show the increasing number of drug-related arrests.

Antidrug Bill Gets Criticism From Press

FL1307143589 Bridgetown CANA in English 2000 GMT 12 Jul 89

[Text] Port-of-Spain, Trinidad, July 12, CANA—Trinidad and Tobago's newspapers on Wednesday came out again against government's new anti-drug bill responding to accusations that critics of the bill are hypocrites or controlled by drug barons.

"While everyone recognises the scourge of drug abuse in our country and the need to deal harshly with the criminals who traffic in these substances, we must be careful not to create one monster in our anxiety to eradicate another," the TRINIDAD GUARDIAN said.

The TRINIDAD EXPRESS said that the response by government ministers to press criticisms were reminiscent of the McCarthy communist witchhunt of the 1950's. "If no individual, no institution, can speak out against those feverish narcotics bills without being dusted with cocaine, then there is no hope for reasonable discussion," the EXPRESS said in an editorial called, "How Free Is Freedom?"

The GUARDIAN's editorial, simply called "Amend That Bill", said the country's Constitution had carefully separated the powers of the police from the executive and had given the Director of Public Prosecutions (DPP) independent powers—all measures which would be eroded under the bill.

"In our view, this piece of legislation is dangerous for many reasons but, most ominously, because it places in the hands of a minister—and, therefore, the political directorate—wide-ranging opportunities for abuse, for the harassment of citizens, for the violation of their privacy, and the seizure of their property without balancing sanction," the GUARDIAN said.

Ruling Party Seeks Support for Bill

FL1507163889 Bridgetown CANA in English 1525 GMT 15 Jul 89

[Text] Port-of-Spain, Trinidad, July 15, CANA—The activists arms of Trinidad and Tobago's ruling National Alliance for Reconstruction (NAR) plan a Sunday nationwide campaign blitz talking to people about illegal drugs and seeking support for government's controversial narcotics bill.

The activists arm of the two and a half year old ruling party, known as the A-Team, has called its Sunday activities an information blitz under the theme "drugs, money and politics."

Publicising the plans at a weekend news conference, A-Team members said they had been knocking on doors, handing out pamphlets, using loud speaker VAF's, and holding spot meetings all day Sunday.

The group says they have the help of several hundred A Team members, NAR supporters, and party constituency activisits.

The Police Commissioner's Office has allowed the activities provided the group does not hold a public march, comply with police instructions given on the day, and do not allow non-Trinidad and Tobago citizens to speak at spot meetings.

A-Team officials described the campaign as drumming up a "national lobby to stop destruction once and for all." Asked whether they would attempt to deal directly with known local drug pushers, A-Team officials said they would not engage in vigilante work.

A-Team members said they would seek to promote the contents of government's Narcotics and Psychotrophic Substances Bill which is currently fighting an uphill battle in Parliament's Upper House.

Members of the NAR off-shoot group said they believed the majority of Trinidadians and Tobagonians were behind the bill but that any suggestions they solicited on Sunday would be offered to government even if debate on the bill is completed next Tuesday.

The A-Team also outlined a number of other projects planned by the group, which initially played a role as personal security and party meeting organisers during the NAR's successful 1986 elections campaign.

Asked if the stepped-up A-Team activity had anything to do with the start of work towards 1991 general elections, A-Team and NAR public relations officer, Lennox Raphael, said "elections are a way of life and it is the business of political parties to engage in elections. But at the same, time, should that incapacitate us and make us not be able to participate in bettering the society," Raphael said. [sentence as received] "This is not part of any elections campaign," he added.

However, other A-Team officials said the grouping planned to become more "mighty and powerful" over the next two years ensuring a second term for the ruling party.

The NAR won a landscape elections victory in December 1986 bringing to an end the 30-year rule of the People's National Movement (PNM).

Debate Bill Postponed

FL1907141889 Bridgetown CANA in English 2030 GMT 18 Jul 89

[By Debra Ransome]

[Text] Port-of-Spain, Trinidad, July 18, CANA—The Trinidad and Tobago Government on Tuesday postponed debate on a controversial new narcotics bill and appeared to water down provisions its critics have labelled as draconian and unconstitutional.

At a brief sitting, the Senate approved a two-week hold on debate to await a series of changes promised by Attorney General Anthony Smart. Government first moved that debate continue on the bill with a final vote in a fortnight but after 30 minutes of consultation, finally gave in to an opposition motion that discussion be put back altogether.

In a television programme on Monday night, Smart gave notice of the amendments. "The government is more likely to concede on the question of arrest without a warrent that we would, in fact, put in a provision to ensure this," Smart said.

Also on the programme were human rights lawyer Ramesh Lawrence Maharaj, international legal expert Dr. George Dhanny, and law association president Michael de la Bastide who all suggested changes in the draft legislation before a final vote is taken. The panellists took particular issue with the powers of arrest, seizure and search without a warrant given by the bill to police officers above the rank of inspector and to public officers above the post of administrative officer, level four.

Other areas of contention involved the creation of the term "liable person" for anyone found on property where drugs are detected, anyone receiving drug-released funds, or anyone who the authorities can link as innocently caught up in drug-related activities.

"The bill, in its present form, cannot be passed and I think we really need a new bill and I think the government should look into drafting a new bill which would be compatible with the human and fundamental rights of our people," Maharaj said. "And ensure that the checks and balances are there for the protection and security of our people," he added.

"I don't agree that we need a new bill. I think that we need an amended bill," De la Bastide countered on Trinidad and Tobago television's "issues live" programme.

Dhanny said the bill needed "serious amending so it it would conform with our views as to what our democratic society would like." Such a person could face the full brunt of detention without access to a judge, and loss of property to the state according to the draft legislation.

De la Bastide argued that while the authorities must be able to deal with those under suspicion, the right of a person to a lawyer must also be protected.

Both Maharaj and De la Bastide said the clause for receiving suspected drug-related property could put off lawyers and other people from offering their legal services to a suspected drug dealer.

In the Senate, leader of government business Alloy Lequay reluctantly agreed to the postponement. "I continue to hold the view that amendments to a bill emerge during debate on the second reading and that those amendments are only given detailed and serious consideration at the committee stage, Lequay said. "Nonetheless, because of the nature of the bill before us, because of the public interest that the bill has generated, and because of government desires ... a bill that would be acceptable to all of us taking into circumstances of the country at this point in time as it relates to the drugs, the government will accept the postponement of the debate," he said.

Lequay then promised that government would try to collate the amendments and new proposals it found acceptable and circulate the changes in a week's time. His announcement was greeted with applause from both the opposition and independent benches.

Cardenas Urges Protests To Uphold PRD Victory

PA1807145489 Mexico City EXCELSIOR in Spanish 15 Jul 89 pp 1-A, 28-A

[Report by special correspondent Angel Soriano]

[Excerpts] Tepeji de Ocampo, Hidalgo State, 14 July—PRD [Party of the Democratic Revolution] leader Cuauhtemoc Cardenas today called for a national mobilization—including work stoppages, rallies, demonstrations, and blocking roads—to defend the PRD's election triumph in Michoacan State. "With those actions we will defend our vote," Cardenas said, "and we will assert that respect for our civic rights is the only way to establish democracy in our country." [passage omitted]

Cardenas said: "We must use our imagination. We must carry out actions that will ensure respect for the Michoacan people's will. The PRI [Institutional Revolutionary Party] and the government cannot decide who will govern the people of Michoacan State." [passage omitted]

Cuauhtemoc Cardenas Solorzano, coordinator of the PRD's CEN [National Executive Committee], yesterday asserted that he is not trying "to stir up the people." Cardenas said PRD leaders are working hard to organize the people's actions "to defend their vote and to protest the election fraud in Michoacan State." Cardenas added that "these actions are the result of the government not keeping its promise to respect the people's vote."

During an interview, Cardenas explained that his party has not yet released the vote-tally sheets of the Michoacan State districts to the public "because we are collecting all the necessary evidence." "We will release those tally sheets in the next few days," Cardenas said.

Asked whether his party really wants to stir up the people, Cardenas replied with a smile: You mean we are stirring up the people?

The reporters insisted that they wanted to know why PRD supporters were being urged to block roads and hold work stoppages, rallies, and demonstrations. The reporters also wanted to know why Cardenas was urging the Armed Forces to struggle for democracy alongside the people.

Cardenas said: We are calling on the military because we are sure there are democratic feelings in the Armed Forces. The military plays an important role in the country, he added, and it must actively struggle alongside the country's democratic forces in making sure all groups abide by the law. The other actions you mentioned are organized by the people to protest the election fraud, Cardenas said.

Cuauhtemoc Cardenas added: "We are calling on the Army so that the Mexican citizens are respected and so that the Army continues to enjoy the Mexican people's respect. That is our intention. That is the only thing we have done."

Cardenas reiterated that the PRD won in all the Michoacan State election districts. He said there is no reason to suspect that the PRD leaders are lying, because the PRD has 90 percent of the vote-tally sheets of the 2 July Michoacan State elections.

Cardenas said the first thing his party did was to present the tally sheets to the election district committees. He added that in a few days the PRD will present the tally sheets to the Mexican Congress' Permanent Commission, the Chamber of Deputies, and other institutions so that there will be absolutely no doubt the PRD won the elections in Michoacan State.

Asked to assess the elections held in five different states on 2 July, Cardenas said the elections were characterized by the PRI's illegal actions to try to win by all means.

Cardenas asserted that the people's response was very positive. The people's decision to mobilize themselves and demand respect for their votes proves their desire for democracy, he stressed.

Supporters Block Roads in Protest

PA1807131289 Paris AFP in Spanish 0101 GMT 18 Jul 89

[Text] Morelia, Mexico, 17 Jul (AFP)—A Michoacan State Highway Patrol spokesman told AFP that for the 5th consecutive day, hundreds of supporters of the Party of the Democratic Revolution (PRD) today blocked Michoacan State roads to protest alleged government fraud during the elections for local deputies on 2 July.

The Highway Patrol spokesman said that in Morelia City, 300 km southwest of Mexico City, approximately 600 followers of former presidential candidate Cuauhtemoc Cardenas blocked roads leading to that city for several hours. The protestors dispersed in the afternoon without any confrontations with the police.

Other PRD followers carried out similar actions in other municipalities where they claim to have defeated the ruling Institutional Revolutionary Party (PRI), which, according to official results, won 12 of the 18 electoral districts in Michoacan State.

A PRD spokesman said the PRD, which holds Mexican President Carlos Salinas de Gortari responsible for the fraud, claims to have won the elections in all the Michoacan districts. Although the authorities recognized the opposition party's triumph in six electoral districts, the PRD is organizing "a plan of action to change the official election results."

Roberto Robles, one of the four PRD senators, asserted that his party has official and public documents as well as witness testimony to prove its charges of "crude and flagrant fraud." He added that the PRD will continue blocking roads until its victory is recognized.

Officials Comment on Road Blocks

PA1907043689 Mexico City XHTV Television in Spanish 0200 GMT 19 Jul 89

[Text] The blocking of roads in Michoacan State continues. Six roads were blocked today, including the shortcut to Mexico City.

The Federal Highway Patrol has no plans to intervene. According to Highway Patrol Commander Ernesto Lopez, the Highway Patrol limited itself to talking to the PRD followers. The number of complaints about the blocking of roads, however, increases.

The Mexican attorney general and the Mexican Government secretary ruled sending soldiers to disperse the PRD militants who are blocking roads in Michoacan and advised avoiding fruitless confrontation.

The Mexican Government secretary and the attorney general said today that fruitless confrontations among Mexicans must be avoided. The government officials warned that they will open criminal proceedings against the PRD leaders who have blocked roads in Michoacan State since 13 July. Government officials ruled out using the Army to restore order.

Mexican Government Secretary Fernando Gutierrez Barrios said:

[Begin Gutierrez recording] We will open legal proceedings for formal complaints filed at the Attorney General's Office. The truth is that we must avoid senseless violations of the law and fruitless confrontations among Mexicans. [end recording]

Attorney General Enrique Alvarez del Castillo said that he has received 30 formal complaints and that 13 investigations against PRD leaders are under way. The PRD leaders have even been accused of attacking people.

[Begin Alvarez recording] We will verify the reports. We will conduct investigations and, in due time, we will issue the corresponding arrest orders against those who are responsible for these actions. We will also guarantee freedom of movement along all federal roads, which belong to all Mexicans and not only to a few. Federal roads are not instruments that can be used to settle issues that fall upon another jurisdiction and that can be settled in more civilized ways. The PRD leaders and all Mexicans involved in political problems must resort to other means. [end recording]

Attorney General Alvarez said that up to now, the blocking of roads has been sporadic, but that if it becomes necessary, his office will request police support:

[Begin Alvarez recording] We will request support from the regular, local police. I do not think we will need to resort to the Army. [end recording]

Government Secretary Gutierrez and Attorney General Alvarez were interviewed at the Benito Juarez Monument during a ceremony to commemorate the 117th anniversary of the death of Benito Juarez.

Road Blocks Continue in Michoacan

PA2007040889 Mexico City XHTV Television in Spanish 0200 GMT 20 Jul 89

[Text] The Employers Confederation of the Mexican Republic [COPARMEX] has demanded that the authorities take immediate action to solve the problem of highway blockades in Michoacan State. COPARMEX President Jorge Osejo Moreno announced that the blockades have caused supply shortages for the population and heavy losses for businessmen.

[Begin Osejo Moreno recording] We do not have exact figures on the monetary losses, but there have been significant losses. The blockades have delayed shipments of merchandise entering and leaving Michoacan State, and this means losses for the transportation sector too. This also makes merchandise much more expensive. Now that we are struggling to maintain low prices, these additional complications worsen the situation. [end recording]

The COPARMEX representative also said that in order for the mobilization by certain groups to be truly effective and just, it must be carried out peacefully, without arrogance, violence, or weapons, which is not the case now. He added that there is reason for serious concern if we stop to think that these incidents might be a prelude to something worse. He added that in spite of all this, there are still some people who insist on being irresponsible and who continue to encourage the Michoacan people to block roads and to do other things that affect the rights of third parties.

The attorney general of the republic has taken the first steps to put an end to the blockades. He ordered Federal Judicial Police today to support the Highway Patrol and the National Army. Legal action will be taken against those who are found guilty of blocking federal highways.

El Salvador

Reaction to University Incident Continues

Military Intervention Ruled Out

PA1907140889 San Salvador Radio Cadena YSKL in Spanish 1220 GMT 19 Jul 89

[Text] Salvadoran President Alfredo Cristiani has given assurances that there will be no military intervention at the University of El Salvador campus, despite the violent incidents that have occurred over the past few days. These incidents have not resulted in any deaths, although several people have been injured. The president said that the incidents at the university are part of a broader plan to provoke the 1st Brigade troops patrolling the area. However, the president added, there will be no military intervention at the university, even if the soldiers who are surrounding the campus are provoked.

Two students who were arrested last week by the Treasury Police have admitted their participation in leftist, destabilizing groups' activities. One of the students arrested is Luis Osvaldo Sandoval, a fifth-grade student at the Jose Matias Salgado School, who admitted being a member of the Bread, Land, Work, and Freedom Movement, and that he participated in activities such as writing messages and pasting propaganda on walls and burning vehicles.

The second student arrested is Ramon Parada Garcia, a 2d-year student at the (Alfredo Ban Ferrer National Institute), who said that he is a member of the ERP [People's Revolutionary Army]. The two youths said that they joined these organizations because they are paid on a monthly basis, explaining that their families have no other source of income. The Treasury Police said that the arrested students have requested the protection of that security force.

Army, University Trade Accusations

PA1807234389 San Salvador Canal Doce Television in Spanish 1900 GMT 18 Jul 89

[Text] Colonel Francisco Elena Fuentes, commander of the 1st Infantry Brigade, accused university students of provoking soldiers during yesterday's demonstrations. According to Col Fuentes, soldiers were attacked with assault rifles and incendiary bombs.

In reporting the incident, Col Fuentes said that it is part of an FMLN [Farabundo Marti National Liberation Front] campaign.

[Begin Fuentes recording] When we learned about the situation, we contacted our officer by radio. He informed us that there was shooting from the Odontology and Engineering Schools with M-60 [machineguns], AK-47's, and FAL [rifles]. We do not use those types of weapons, and the shots could be clearly heard from here. We withdrew our security forces to avoid provocations, but the shooting continued. Then the attackers began hurling grenades like the one you see here, which was hurled without the seal being removed. They also used Molotov cocktails. The problem is that small groups of FMLN criminals and murderers have infiltrated the university. [end recording]

Despite the grave incidents, Col Fuentes ruled out the possibility of intervention. However, he confirmed that the military siege would continue.

Meanwhile, top university authorities accused the Army of provoking yesterday's incidents, stressing that the case would be solved through legal means.

University teachers, employees, and students described the incidents as a plan to attack the university. They said that the plan is designed to frighten the university population, adding that security forces have arrested several students this month. Here is what Luis Argueta Antillon, rector of the University of El Salvador said:

[Begin recording] The university community has had much experience in this. An intimidating plan was implemented throughout the entire Christian Democratic government. However, the plan, which was designed to demoralize the students and intimidate the universtiy authorities, teachers, and workers failed. Instead of decreasing, the number of university students has increased. We must add that the government and the Armed Forces can be sure that they will not achieve their objective. The university community is used to this situation and we are determined to remain at the universty up to the end. [end recording]

Rector Argueta Antillon stressed that all this is part of what he described as an interventionist plan against the university campus, which began under the previous government.

University leaders said that the incident has already been reported at the national and international level, noting that they have received messages of solidarity from various countries around the world.

University Director Comments

PA1907235589 San Salvador DIARIO LATINO in Spanish 19 Jul 89 p 3

[Text] El Salvador University (UES) Director Luis Argueta Antillon has stated that the present government wants to close the university and that is why it ordered the aggressive military actions of 2 nights ago [17 July].

He said that "it is clear that no shots where fired from within the university, as no building in the vicinity shows damage. However, several university buildings on our campus have bullet holes of different calibers."

Director Argueta Antillon added that approximately 15 students were hurt, beaten, or wounded, but that, according to First Infantry Brigade Commander Colonel Francisco Helena Fuentes' public report, not one soldier was wounded.

He also said that the Armed Forces themselves reported using more than 20,000 cartridges; this shows the magnitude of the 1 and 1/2-hour shoot-out at the university campus.

Vinicio Penate, student representative to the UES General Assembly, stated that the march by the students to protest the wave of university student arrests by several several military corps was never anything more than a peaceful protest action and should never have been dispersed with bullets.

Penate also said that it was not true that all the bullets had been shot at the sky and that this could be proven by the wounds in the faces and backs of students who are presently hospitalized.

After Director Argueta noted that the aforementioned actions had been ordered to create the right atmosphere to order the closing of the UES, he added that at least two students have disappeared. The Armed Forces continue their siege on the university campus despite the violence of 17 July.

FMLN Denies Involvement

PA1907005689 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2312 GMT 18 Jul 89

[Communique issued by the Farabundo Marti National Liberation Front (FMLN) in El Salvador on 17 July 1989—read by announcer]

[Text] Concerning Monday's incidents near El Salvador University, the FMLN states:

1. None of our units were operating around El Salvador University or the northern sector of the capital on that day.

2. The clashes that occurred near the university were carried out by Armed Forces troops alone. In an effort to search the university, the troops fired their weapons [words indistinct] as student demonstrators were entering the campus.

3. This action is part of a plan that the Cristiani government and the top command of the Armed Forces are promoting against El Salvador University. This plan is being carried out by Colonel Francisco Elena Fuentes, commander of the 1st Infantry Brigade. The plan (?involves) threats, arrests, murders, and other repressive acts.

4. It is predictable that the Cristiani government and the top command of the Armed Forces will say that what occurred at the University was the result of a clash between the Army and the FMLN, and this is completely false. Cristiani's government and the Armed Forces are solely responsible for the violent incidents that claimed several victims in the area around El Salvador University.

[Signed] FMLN, El Salvador, 17 July 1989

Organization Searched; Americans Arrested

PA2007043989 San Salvador Canal Doce Television in Spanish 0326 GMT 20 Jul 89

[Report by Ernesto Rivas]

[Text] Backed by provisions contained in an article of the Procedural Penal Code and after having detected suspicious actions, the Army searched the facilities of the National Natural Disasters Relief Organization [Union Nacional de Damnificados—UNADE].

The search took place yesterday afternoon and was carried out by troops of the Armed Forces Center Transmission Training Center.

Initial reports indicate that at least eight adults and about five minors were arrested. The reasons that motivated the Army to carry out the search were not revealed to the press. In fact, access to the facilities was partially restricted to reporters covering the event this morning. After waiting for a while, we were allowed to enter the facilities, but were unable to obtain any official reports.

Reportedly two male members of UNADE were inside the facilities. However, we were not able to clearly determine the reason for their presence there, because we were not allowed to talk to them at length.

[Begin recording] [Reporter] Are you UNADE members?

[Unidentified speaker] No [words indistinct].

[Reporter] Are you under arrest here?

[Unidentified speaker] [Words indistinct]

[Reporter] What did you find here?

[Unidentified speaker] I do not know [words indistinct]. [end recording]

Personal items such as toys and reams of paper were found inside the facilities. It is believed that they are part of the international donations for victims of the 10 October 1986 earthquake. However, other sources claim that a printing press, which was reproducing literature considered to be subversive, was found in the facilities.

Unofficial reports indicate that two people of U.S. origin were also arrested.

International Relations Institute Leader Shot

PA1907205089 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 19 Jul 89

[Excerpt] We have further reports on this morning's attack on Guillermo Payes, second in charge of the International Relations Institute [IRI]. As we reported earlier, the IRI was once part of the Patriotic Civil Defense in San Salvador, which has since been disbanded. We have found out that he was about to enter a shop when he was shot at five times at least; we have been able to confirm that only three bullets actually struck him. One hit him in the back, another in the abdominal region, and one in the throat—a total of three bullets hit him. Following an operation, doctors expect him to live; however, thus far no detailed medical report has been issued. [passage omitted]

Alleged Killers Unidentified

PA1807011089 San Salvador Radio Cadena YSKL in Spanish 1540 GMT 17 Jul 89

[Text] Unidentified individuals killed Mr Roland Pompilio Rodriguez in the Terranova Residential Area, San Jacinto neighborhood in the capital this morning. Rodriguez was secretary of the National Police station in Santa Rosa de Lima, La Union Department.

According to the official report, the National Police employee left his home at around 0730 this morning when he was held up by a man and a woman armed with high-caliber revolvers. Without saying a word, they shot him three times at point-blank range, killing him immediately. The police report states he was currently on leave, but was recently appointed to Santa Rosa de Lima's police station.

No group has claimed responsibility for the murder of Roland Pompilio Rodriguez.

CD Leader Oqueli Views U.S. Role in Dialogue

PA1907003389 San Salvador Canal Seis Television in Spanish 0200 GMT 18 Jul 89

[Interview with Hector Oqueli Colindres, leader of the National Revolutionary Movement (MNR) and the Democratic Convergence (CD) by journalist Edgardo Quijano in San Salvador—recorded]

[Text] [Quijano] Under what terms did you meet yesterday with Bernard Aronson, the U.S. assistant secretary of state for inter-American affairs?

[Oqueli] I attended a meeting jointly with Ruben Zamora, secretary general of the MPSC [Social Christian People's Movement], in my status as CD representative. As representatives of parties that make up the CD, we were there to exchange views and explain our opinions of the Salvadoran situation. We especially tried to explain our ideas for a politically negotiated solution for El Salvador's main problem—its armed conflict. All efforts should be aimed at solving it.

[Quijano] How did you explain the CD's nonparticipation in the permanent dialogue commission?

[Oqueli] The CD, as such, was not invited to participate in the dialogue. However, Mario Reni Roldan, secretary general of the Social Democratic Party [a CD member] was invited. CD member parties have continued to meet and these meetings are coordinated by Roldan. We backed Roldan's decision not to participate in the commission. We believe that the reasons alleged by PDC [Christian Democratic Party] leader Pablo Mauricio Alvergue and Roldan not to participate in the commission the government has tried to create, are valid. They said that an attempt was made to use them as representatives of political parties and at the same time, as semi-autonomous participants by choosing them as commission members. We believe that they thought that since we are opposition parties, it would be possible for us to back everything the government was doing with regard to dialogue and negotiations. However, we believe that, in the end, the government, on one side, and the FMLN [Farabundo Marti National Liberation Front], on the other, will wind up negotiating.

However, in the event of such a situation, we cannot appear as part of the government, especially since we are opposed to it and have profound ideological differences with ARENA [Nationalist Republican Alliance]. We told Mr Aronson that the way the commission members were picked was another maneuver to try to appear united—a unity that does not exist—concerning the country's main problem—the war.

[Quijano] Do you think the United States believes that the Salvadoran democratic left is a key factor in the search for peace?

[Oqueli] I believe that the mere fact that we were taken into consideration for a meeting with Aronson, representing the democratic left, is very significant. I think that the United States has expressed its objective (?view) about our task, work, and role. The fact that Vice President Quayle met with Guillermo Ungo and Ruben Zamora is also significant and backs our participation in this meeting. The fact that we continued this dialogue with the U.S. Government means support for our political work. Consequently, it means they believe that our opinions on a solution for the Salvadoran conflict must be heard.

[Quijano] Do you think the United States is creating the right climate to decrease war in El Salvador?

[Oqueli] I think that the United States plays certain significant roles in various regional conflicts [words indistinct] until (?a negotiated solution) is found. This happened in Afghanistan. We must also look at the role that, in one way or another, the United States has been playing in the Middle East; the role as mediator, I repeat, mediator in the conflict in southern Africa, where the United States, served in the negotiations between Angola and Cuba, on one side, and the forces represented by South Africa, on the other.

[Quijano] In that regard, do you think that the Salvadoran Government is following U.S. guidelines or did it use its own initiative when it created a permanent dialogue commission? How do you view this?

[Oqueli] I think that the Salvadoran Government did this. I do not think that it followed guidelines, but that it consulted the United States; I think this is significant. The United States is giving certain support to the Salvadoran Government, as it did before with the PDC.

Peasants Demand Continuation of Land Reform

PA1907232789 San Salvador Radio Cadena YSU in Spanish 1800 GMT 19 Jul 89

[Text] Approximately 5,000 peasants marched to the presidency to demand that the government continue the land reform process. The demonstrators, belonging to five peasant and cooperative organizations, also demanded that the Salvadoran Armed Forces' top command immediately release 10 members of the National Association of Agriculture and Livestock Workers who were recently arrested for belonging to the Farabundo Marti National Liberation Front. At the end of the demonstration, in the area around the presidency, the peasants gave an Army officer a document listing the groups' demands. Marco Tulio Lima, leader of the Confederation of Cooperative Associations of El Salvador, stated the following:

[Begin Lima recording] [Passage indistinct] the land reform problem is the cause of the poverty and our current political situation. [passage Indistinct] I think [words indistinct] receiving his document through one of his officers. This is not a problem having to do with his desire to resolve it. He wants us to go away and stop pressuring [words indistinct]. It would have been positive if he had met the five leaders of the [words indistinct] movement. [end recording]

Meanwhile, a presidential spokesman told the peasants President Alfredo Cristiani would receive, in a few days, the delegation headed by Mr Lima to discuss loans for peasants and other benefits.

Police Dismantle FARN Explosives School

PA1907043889 San Salvador DIARIO LATINO in Spanish 18 Jul 89 p 3

[Text] Yesterday afternoon, Colonel Hector Heriberto Hernandez, director general of the Treasury Police, reported the arrest of Javier Nahum Ramirez Elias, a medical student at El Salvador University (UES) whose alias is Pedro or Salomon. He was accused of being a member of the Armed Forces of National Resistance [FARN] of the FMLN [Farabundo Marti National Liberation Front].

Col Hernandez said that through information supplied by Ramirez Elias, police dismantled a FARN explosives school known as the "People's Artillery Explosives School." It was located on house No 2, 2d Street, San Pablo neighborhood in Mejicanos; where they operated a radio, television, and electrical appliances repair shop as a front.

Hernandez added that Edwin Oned Alas Ceron—whose alias is "Jorge Vega"—and other medical students, who were not identified so as not to hinder the investigations, ran the school.

The officer explained that the following material was found during a search of the shop at 0700 on Sunday:

Four thick plastic pipes used as homemade artillery, 4 triggering mechanisms for such pipes, 42 pounds of black powder, 3 antipersonnel mines, 1 antivehicle mine with 9 pounds of chlorate with TNT, 1 antivehicle mine with 8 pounds of potassium clorate, 5 cartridge clips, 5 flares, 9 electrical switches (capsulas electricas), 7 feet of slow-burning fuse, 10 yards of fast-burning fuse, 30 pounds of wax, 30 pounds of clamps, 3 pounds of S-shaped nails used to puncture tires, 20 yards of wire, 1 wooden grinding wheel and various materials to make explosives, as well as a manual with the title People's Explosive-Making Shops and 4 maps of places such as Mejicanos, Zacamil, the National University, and elsewhere.

Rebel Station Reports 14-18 Jul Clashes

PA1907034389

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 19 July carries 8 minutes of military reports including details on ambushes carried out by the Farabundo Marti National Liberation Front [FMLN] units and on clashes between FMLN units and members of the Salvadoran Armed Forces between 14 and 18 July.

The first report states that FMLN guerrilla units ambushed 6th Infantry Brigade troops, inflicting four casualties, including wounded or dead near Tierra Blanca at 1030 on 17 July.

The same report adds that FMLN guerrillas ambushed Bracamonte Battalion troops, inflicting two casualties with rifle fire and grenades.

The next report says FMLN rebels attacked Lempa Battalion units, killing one, wounding six others, and seizing war equipment in Morazan Department at noon on 18 July. The report adds that "in subsequent clashes" the FMLN units seized 3 M-16 rifles, 500 cartridges, 2 military backpacks, and other military equipment.

The third report states that FLMN units clashed with Lenca Battalion troops, inflicting two Army casualties on Chaparrera Hill, Guatajiagua Jurisdiction at 1800 on 17 July.

The next report says that FMLN "insurrection" units occupied sections of the highway between Moncagua and Chapeltique and between Chapeltique and Sesori in San Miguel Department on 17 July. During that operation, the FMLN "insurrection" units blew up three electrical power lines and distributed propaganda material.

The fifth report states that 5th Infantry Brigade troops crossed minefields resulting in one wounded soldier near Brigido Hill, north of San Lorenzo, San Vicente Department at 1730 on 14 July.

A report dated 17 July states that FMLN units ambushed 4th Infantry Brigade troops, inflicting 17 casualties on the Northern Trunk Highway, 200 meters from the Guaycume Bridge, Cuscatlan Department.

The last report states that FMLN units clashed with Atlacatl Battalion units, inflicting three casualties at El Salitre, Cuscatlan Department on 17 July.

The same report concludes saying that "on 17 July, FMLN units blew up two electrical power lines on the Pan-American Highway near Anita Farm, Villa El Triunfo Jurisdiction, Santa Ana Department."

Additional Actions Noted

PA1807015889 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 17 Jul 89

[Report by the Armed Forces Press Committee (Coprefa)]

[Text] Farabundo Marti National Liberation Front [FMLN] terrorists have partially burned down the local ANTEL [National Administration for Telecommunications] office and the mayor's office in the village of Guacotecti, Cabanas Department.

Local residents have condemned the terrorist action because they have been left without any means of communications and without the services provided by the mayor's office, which are important for the community and others in the area.

In other news, Eusebio Bracamonte Battalion troops destroyed an FMLN camp located near the hamlet of (La Honduras), San Jose Las Flores Jurisdiction, Chalatenango Department. In the area, they found large quantities of supplies and material that was used to manufacture explosives. In that same area, 10 booby traps were defused.

Finally, Atlacatl Battalion destroyed five other mines that the terrorists had placed in the area of El Salitre and (Los Lirios) located in San Jose Guayabal Jurisdiction, Cuscatlan Department.

Guatemala

Cerezo Criticizes Media for 'False Reports'

PA1907193489 Guatemala City Radio Nuevo Mundo Network in Spanish 1200 GMT 19 Jul 89

[Text] The Guatemalan president has said the media is very important, and because of this, editors should not allow themselves to be fooled into publishing false reports. President Vinicio Cerezo referred specifically to reports in a morning newsaper which stated that Cerezo may be ousted or may have already presented his resignation. Cerezo added that this is not true and that publicity has been given to groups that in one way or another are trying to subvert public order with these reports.

Cerezo said he does not believe those groups are attempting a coup through these reports. Smiling, Cerezo said this is simply not going to happen. Cerezo explained that he was elected by the people, and for this reason he cannot simply be ousted or resign.

'Gangs' Throw Rocks at National Building

PA2007005189 Panama City ACAN in Spanish 2242 GMT 19 Jul 89

[Text] Guatemala City, 29 Jul (ACAN - EFE)—"Gangs" threw stones at the Congress building and set its main gate on fire, allegedly to pressure the government into granting salary increases to over 80,000 striking public employees.

Official sources stated that the stones shattered all of the Congress building's front windows and that the security staff extinguished the fire.

Hundreds of teachers, who have entered the 8th week of their strike, formed human blockades in Guatemala City's main streets to pressure Guatemalan President Vinicio Cerezo into granting a wage increase of $70 dollars per month.

The demonstrators blocked an area of 1 square km, tying up traffic. The government warned public employees that if they do not return to their jobs, drastic measures would be taken, which could mean their dismissal or prosecution if they commit any crimes.

National Police Chief Colonel Giovanni Valerio also called on state workers to maintain calm and not tie up traffic.

Cerezo is standing firmly against granting the wage increase, but teachers and other state employees stated they will remain on strike despite the government's warning.

Teachers Recall Cerezo Promise of Wage Increases

PA2007003089 Guatemala City PRENSA LIBRE in Spanish 19 Jul 89 p 12

[Paid ad reproducing note sent by President Vinicio Cerezo to leaders of the National Association of Middle Level Teachers, ANEEM, on 28 January 1988]

[Text] [Caption: Note sent by President Cerezo to ANEEM leaders, in which he committed himself to a wage increase for teachers.]

In reply to the various demands made by your association and because I believe your request is reasonable, I hereby present my proposal:

1. A wage increase of 25 quetzales to be effective in February, including the first 2 months of the year. A wage increase of 25 quetzales effective 1 July of this year, another wage increase of 25 quetzales effective in October of this year, and a wage increase of 25 quetzales effective in January 1989, which would be retroactive to December.

2. Creating a commission to analyze the mechanisms for wage increases in subsequent years to adequately plan the budget according to Legislative Decree 1485.

3. Creating a commission to analyze the mechanisms that will effectively promote educational plans to standardize primary education in Guatemala, taking into consideration your contributions as experienced teachers.

Sincerely,
Vinicio Cerezo [passage illegible]

Honduras

* Central Bank Report on 'Economic Strategy'

32480177 San Pedro Sula TIEMPO in Spanish
31 May 89 pp 14-15, 38, 41

[Text] The Central Bank of Honduras has just published an important study ("In Search of an Economic Strategy for Honduras"), in which it analyzes our country's economic situation and interprets the crisis through which it is passing.

We are publishing this document in its entirety because it is of paramount interest to society, so that it can thus understand what is happening, the reasons for inflation, shortages, and unemployment, in short, for the economic straits that our families are in today.

The study by the Central Bank of Honduras places the responsibility for the crisis with the government, which, lacking foresight, failed to take the measures that were indispensable to straighten out the economy and, most of all, to cut the budget deficit.

It is preferable, however, dear readers, that you read this document from beginning to end, and in tomorrow's edition, TIEMPO, the newspaper of Honduras, will offer you its comments in this regard.

- Excess current spending is the source of the economic destabilization problems.
- The balance of payments has worsened since 1982 because of inordinate government spending.
- Honduras' economic problem is actually a political problem, and leaders with a clear and responsible political awareness are needed.
- Economic growth was sacrificed to pay international liabilities, and the structural imbalance is severe now.
- We need enterprising, aggressive businessmen who know how to best combine the factors of production.

In Search of an Economic Strategy for Honduras[1]

The purpose of this work is to analyze the economic situation of Honduras and to offer an interpretation of the crisis that the country is experiencing, while identifying its most important characteristics, contradictions, and foreseeable tendencies in the short, medium and long term. In the first part we look at short-range economic problems, which boil down to economic stabilization. In the second section we discuss the issue of structural adjustment, and in the third section we examine the issue of long-term economic development and then offer appropriate conclusions and recommendations.

I. Economic Stabilization

In discussions of the economic crisis that the country is currently experiencing, the problems of financial stabilization are often confused with those of economic growth. To dispel this confusion, in this section we develop a model that clarifies the conceptual framework, assesses the short-term economic policy that the country has pursued over the past 5 years, identifies the stabilization problems facing the economy, and offers guidance for solving them.

In a country like Honduras the problem of economic instability manifests itself in excessive spending compared to national revenue. Another way of putting it is that demand is greater than supply.

If Honduras had a closed economy, the excess demand would take the form of higher prices, in other words inflation. But since its economy is open to the rest of the world, the excess spending translates into a heavier balance of payments deficit, as was the case during the period from 1980 to 1988, as can be seen in the following table, in which that variable rose from 676 lempiras at the start of the decade to 794 million in 1988.

Table 1. Excess National Spending (millions of lempiras)

Item	1980	1981	1982	1983	1984	1985	1986	1987	1988
National consumption	4,241	4,793	5,095	5,381	5,694	6,079	6,681	7,223	7,954
Investment	1,248	1,151	776	897	1,231	1,264	1,075	1,194	1,173
National spending	5,489	5,944	5,871	6,278	6,925	7,343	7,756	8,417	9,127
National income	4,813	5,284	5,377	5,751	6,154	6,643	7,145	7,705	8,333
Excess spending/balance of payments deficit	676	660	494	527	771	700	611	712	794

This balance of payments deficit is usually gauged in relation to the Gross Domestic Product (GDP). International financial institutions such as the International Monetary Fund do so systematically to assess a downtrend in light of the pace of economic growth. Such a comparison shows that although Honduras has reduced this proportion from 13.3 percent in 1980 to 9 percent in 1988, the latter figure is still too high for the standards of the IMF and other international agencies and presumably reflects problems of financial instability.

Deficit as a Percentage of GDP

Deficit/GDP	1980	1981	1982	1983	1984	1985	1986	1987	1988
	13.3	11.9	8.6	8.7	11.9	10.0	8.0	8.8	9.0

In keeping with the above, we can see in Table 1 that the problem of excess national spending cannot be attributed to investment, inasmuch as it was less in 1988, 1.173 billion lempiras, than in 1980, 1.248 billion. The problem thus lies in national consumption.

To delve deeper into the causes of this situation, it behooves us to isolate government consumption and analyze its evolution.

Table 2. Savings of Central Government (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Current income	801.5	973.9	1,088.2	1,180.3	1,320.9	1,416.3	12.1 percent
Current spending	990.3	1,074.9	1,239.4	1,356.2	1,516.5	1,622.9	10.4 percent
Savings	-188.8	-101.0	-151.2	-175.9	-195.6	-206.6	

Table 2 thus shows the government's financial performance in the area of savings from 1983 to 1988. From an analysis of the numbers we can conclude that the government saved nothing and, on the contrary, posted dissavings that totaled 206.6 million lempiras by 1988, which means that it had to borrow this amount to completely finance its current spending.

The performance of the national economy shown in Table 1, in which spending exceeded revenue, is the same as the government's as shown in Table 2, in which current spending is greater than tax revenues. Note that the trend in tax revenues was satisfactory over the past 5 years (an average rise of 12.1 percent a year). The rise in current government spending was high too, however, 10.4 percent a year.

Why do we say that government spending was high during the period in question? The answer is that the GDP during this period, which rose at an annual rate of 7.8 percent, obviously did not keep pace with government spending, which increased even faster.

It is obvious now that government spending ought to have been a stabilizing factor. On the basis of this assumption, we will now use a hypothetical model to determine the government's ideal spending level. The difference between the actual and the ideal policies is an indicator of the magnitude of the financial instability caused by the government. Taking into account the two aforementioned elements, the evolution of the GDP (7.8 percent) and a stability target, we will now estimate current spending on the basis of a 6 percent annual rise, which can be regarded as ideal.

Table 3. Central Government Savings (hypothetical model) (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Current income (actual)	801.5	973.9	1,088.2	1,180.3	1,320.9	1,416.3	12.1 percent
Current spending (estimate)	990.3	1,049.7	1,112.7	1,179.5	1,250.3	1,325.3	6.0 percent
Savings	-188.8	-75.8	-24.5	0.8	-70.6	-91.0	

The results of this exercise show that if current spending had increased by 6 instead of 10.4 percent, as was the case, the government would have begun to post savings as of 1986, and they would have reached 91 million lempiras in 1988 instead of 206.6 million in dissavings.

Now then, if we compare the estimate with actual spending, how great is the government's excess current spending? We can see this in Table 4, which indicates that the excess was 297.6 million in 1988.

Table 4. Excess Current Spending of the Central Government (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Actual current spending	990.3	1,074.9	1,239.4	1,356.2	1,516.5	1,622.9	10.4 percent
Estimated current spending	990.3	1,049.7	1,112.7	1,179.5	1,250.3	1,325.3	6.0 percent
Excess current spending	—	25.2	126.7	176.7	266.2	297.6	

Let us now look at the impact of these estimates in Table 4 on the internal financing of the central government:

Table 5. Internal Financing of the Central Government (millions of lempiras)

Year	Actual Internal Financing	Cut in Current Spending	Estimated Internal Financing
1983	292.5	—	292.5
1984	180.5	-25.7	155.3
1985	205.9	-126.7	79.2
1986	234.1	-176.7	57.4
1987	329.2	-266.2	63.0
1988	296.8	-297.6	-0.8

As we can see, this table indicates the actual domestic financing of the budget deficit and the estimated financing if the government had been austere in its current spending. The conclusion is stunning: domestic borrowing would have been cut to zero by 1988, and thus the government would not have had to turn to the Central Bank for financial support.

Austerity in current government spending would also have had a favorable impact on the budget deficit, as we can see below:

Table 6. Impact on the Budget Deficit (millions of lempiras)

Year	Actual Budget Deficit	Cut in Current Spending	Estimated Budget Deficit	Actual Budget Deficit/GDP	Estimated Budget Deficit/GDP
1983	628.8	—	628.8	10.4 percent	10.4 percent
1984	737.2	-25.2	712	11.4 percent	11.0 percent
1985	627.2	-126.7	500.5	9.0 percent	7.2 percent
1986	593.1	-176.7	416.4	7.8 percent	5.5 percent
1987	590.8	-266.2	324.6	7.3 percent	4.0 percent
1988	638.4	-297.6	340.8	7.3 percent	3.9 percent

The budget deficit would have been significantly smaller. As a percentage of the GDP it would have declined from 10.4 in 1983 to 3.9 in 1988, the latter number being in line with the standards recommended by the IMF and other international agencies. The gap between the actual proportion (7.3 percent) and the estimated one (3.9 percent) is an indication of the central government's financial instability.

The following table compares the savings from lower current spending and from smaller Agency for International Development (AID) transfers to the government's budget.

Table 7. AID Transfers to Government Budget (millions of lempiras)

Year	Cut in Current Spending	AID Transfers
1983	—	29.9
1984	-25.2	122.9
1985	-126.7	103.3
1986	-176.7	113.6
1987	-266.2	93.6
1988	-297.6	105.6

The most important thing that the above table shows is that austerity in current spending can more than make up for a potential elimination of AID support for the government's budget.

We now analyze the impact of discipline in the government's actual current spending on the main monetary accounts of the banking system.

Table 8. Banking System (actual) (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Total lending	2,766.4	3,082.5	3,350.7	3,609.8	4,151.7	4,444.5	10.0 percent
Net lending to government	798.5	904.0	921.7	982.5	1,127.7	1,263.5	9.6 percent
Lending to private sector	1,967.9	2,178.5	2,429.0	2,627.3	3,024.0	3,181.0	10.1 percent
Deposits	1,985.2	2,206.3	2,288.6	2,512.0	2,971.2	3,360.4	11.1 percent

The monetary accounts absorb the impact of the government's excess current spending by attracting more funds in the form of deposits, thus making possible additional lending to the government and the private sector. We can thus see that deposits expanded in the period at an annual rate of 11.1 percent and that lending to the government rose by 9.6 percent and to the private sector by 10.1 percent.

An estimate of the impact of more austere current spending (6 percent annual instead of the actual 10.4 percent) on monetary accounts can be seen in the following figures:

Table 9. Banking System (estimated) (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Total lending	2,766.4	2.989.6	3,230.9	3,491.8	3,774.0	4,079.0	8.1 percent
Net lending to government	798.5	854.4	914.2	978.2	1,046.7	1,120.0	7.0 percent
Lending to private sector	1,967.9	2,135.2	2,316.7	2,513.6	2,727.3	2,959.0	8.5 percent
Deposits	1,985.2	2,163.9	2,358.7	2,571.0	2,802.4	3,054.6	9.0 percent

Several conclusions can be drawn from a comparison of Tables 8 and 9. The central government's financial instability causes an imbalance in the banking system by inflating the bank's intake of deposits, which in turn prompts an expansion of lending to both the government and the private sector. Let us first look at the increase of liquidity in the economy.

Table 10. Excess Liquidity in the Economy (million of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Actual deposits	1985.2	2,206.2	2,288.6	2,512.0	2,971.2	3,360.4	11.1 percent
Estimated deposits	1985.2	2,163.9	2,358.7	2,571.0	2,802.4	3,054.6	9.0 percent
Excess liquidity	—	42.4	-70.1	-59.0	168.8	305.8	

Source: Tables 8 and 9

In the above table we can see the excess liquidity that was generated in the economy, reaching 168.8 million lempiras in 1987 and 305.8 million in 1988.

Table 11. Indicator of Liquidity in the Economy (deposits as a percentage of GDP)

Year	Actual Deposits/GDP	Estimated Deposits/GDP
1983	32.9	32.9
1984	34.1	33.5
1985	32.8	33.8
1986	33.1	33.8
1987	36.6	34.5
1988	38.2	34.7

The index of real liquidity in the economy rose from 32.9 percent in 1983 to 38.2 percent in 1988.

Excess liquidity in the economy enables banks to expand lending both to government and to the private sector. The latter is shown below:

Table 12. Excess Lending to the Private Sector (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Actual lending to private sector	1,967.9	2,178.5	2,429.0	2,627.3	3,024.0	3,118.0	10.1 percent
Estimated lending to private sector	1,967.9	2,135.2	2,316.7	2,513.6	2,727.3	2,959.0	8.5 percent
Excess lending to private sector	—	43.3	112.3	113.7	296.7	222.0	

Source: Tables 8 and 9

The preceding data are very revealing. Lending to the private sector during the period under analysis was heavy (expanding at an annual rate of 10.1 percent). This contrasts with the widespread opinion that the government has crowded out the private sector. The table shows the excess lending to this sector; 1987 and 1988 stand out with 296.7 million and 222 million lempiras respectively.

As for the government, excess lending is greatest in 1987 (81 million lempiras) and 1988 (143.5 million), as can be seen from the following table:

Table 13. Excess Lending to the Government (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual increase
Actual lending to government	798.5	904.0	921.7	982.5	1,127.7	1,263.5	9.6 percent
Estimated lending to government	798.5	854.4	914.2	978.2	1,046.7	1,120.0	7.0 percent
Excess lending to government	—	49.6	7.5	4.3	81.0	143.5	

Source: Tables 8 and 9

Next we analyze how this expansion of lending by the banks impacts on the balance of payments, imports in particular.

If institutional controls did not exist, excess lending would have a direct impact on imports. Since there is such regulation, however, the evolution of purchases overseas depends on the availability of foreign exchange; in other words, it is a function of exports and inflows of capital from abroad. We can thus see that exports rose from 1983 to 1988 at an average yearly rate of 4.4 percent, while imports increased at a 4.7 percent pace.

The following question is pertinent at this point: What happened with the excess lending in 1987 and 1988? Surplus lending is an indicator of the economy's imbalance, inasmuch as it represents an inflationary pressure that is not dampened by higher imports, which are limited by the availability of foreign exchange (exports plus inflows of capital from overseas). When it does not find an external outlet, this pressure turns inward, perhaps under pressure from more imports, which translates into a rise in the unofficial exchange rate and later into higher domestic prices. These latter two consequences are the most dramatic manifestations of the crisis that the country is currently experiencing. The unofficial exchange rate has risen from 2.2 lempiras to the dollar in early 1987 to 3.5 at present. And inflation has risen from 2.5 percent in 1987 and 4.5 percent in 1988 to a high 8.5 percent in March 1989, which the population has so far endured stoically.

Having come to a fundamental problem, we analyze below in greater detail the evolution of the balance of payments.

Table 14. Summary of Balance of Payments (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual increase
Exports	1,556	1,663	1,754	1,971	1,874	1,930	4.4 percent
Imports	1,799	2,126	2,120	2,127	2,182	2,258	4.7 percent
Trade deficit	-243	-463	-366	-156	-308	-328	6.2 percent
Payment to factors	-284	-308	-334	-455	-404	-466	10.4 percent
Balance of payments deficit	-527	-771	-700	-611	-712	-794	8.5 percent
Capital inflows	444	619	478	141	204	297	-8.4 percent
AID transfers	83	152	222	274	242	245	—
Foreign debt payment arrears	—	—	—	196	266	252	—
Foreign debt servicing	305.2	334.2	375.4	480.8	517.5	511.1	10.9 percent
Principal	187.0	222.2	258.6	336.7	392.9	347.6	13.2 percent
Interest	118.2	112.0	116.8	144.1	124.6	163.5	6.7 percent

As we can see in the above table, exports have risen 4.4 percent a year and imports 4.7 percent, causing a trade deficit that rose 6.2 percent during the period. Although this is not an excessive deficit, a leveling off or decline would have been advisable.

For this reason, after reviewing the trend in imports in detail, we have estimated what holding them down more would do:

Table 15. Excess Imports (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Actual imports	1,799	2,216	2,120	2,127	2,182	2,258	4.7 percent
Estimated imports	1,799	1,862	1,927	1,994	2,064	2,136	3.5 percent
Excess imports	—	264	193	133	118	122	

The estimated trade balance would thus look like this:

Table 16. Estimated Trade Balance (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Actual exports	1,556	1,663	1,754	1,971	1,874	1,930	4.4 percent
Estimated imports	1,799	1,862	1,927	1,994	2,064	2,136	3.5 percent
Trade deficit	-243	-199	-173	-23	-190	-206	-3.3 percent

The above table shows that the trade deficit due to excess imports would have been smaller. We can see that in 1987 the trade deficit in Table 14 would have been 118 million lempiras less and 122 million less in 1988.

We now analyze "payment to overseas factors." We should recall that in Table 14 this category was up 10.4 percent as a result of higher interest rates on the foreign debt. In rescheduling the debt with foreign creditors we ought to take care that this item does not increase faster than the GDP (7 percent). The adjustment would be as follows:

Table 17. Excess Interest on the Foreign Debt (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Actual payment to overseas factors	-284	-308	-334	-455	-404	-466	10.4 percent
Estimated payment to overseas factors	-284	-304	-325	-348	-372	-398	7.0 percent
Excess	—	-4	-9	-107	-32	-68	

On the basis of Tables 16 and 17 we can estimate the balance of payments deficit as follows:

Table 18. Estimate of Balance of Payments Deficit (millions of lempiras)

Item	1983	1984	1985	1986	1987	1988	Average annual growth
Estimated trade deficit	-243	-199	-173	-23	-190	-206	-3.3 percent
Estimated payment to overseas factors	-284	-304	-325	-348	-372	-398	7.0 percent
Estimated balance of payments deficit	-527	-503	-498	-371	-562	-604	2.8 percent

The balance of payments deficit as a percentage of the GDP would look like this:

Balance of Payments Deficit/GDP

Item	1983	1984	1985	1986	1987	1988
Actual deficit/GDP	8.7	11.9	10.0	8.0	8.8	9.0
Estimated deficit/GDP	8.7	7.8	7.1	4.9	6.9	6.9

From these findings we can see that the percentage rose from 8.7 in 1983 to 9.0 in 1988. If we figured in the appropriate adjustments, the indicator would have dropped from 8.7 percent in 1983 to just 6.9 percent in 1988, which underscores that a rigidity in the balance of payments is preventing it from falling further.

As for financing the balance of payments deficit (see Table 14), the situation is more serious. For example, the 794 million lempira deficit in 1988 was financed as follows:

Financing the Balance of Payments Deficit

Item	Amount	Percent
Inflows of foreign capital	297 million	37.4
AID transfers	245 million	30.9
Overdue foreign debt payments	252 million	31.7
Total	794 million	100.0

In other words, only 37.4 percent of the total deficit was financed, as 30.9 percent was AID transfers that could disappear in the immediate future and 31.7 percent went into arrears because the yearly commitments could not be met. Note in Table 14 that the net inflow of foreign capital declined 8.4 percent during the period; this can be largely explained by the rise in foreign debt servicing, principal payments in particular, which rose at a rapid rate (13.2 percent) during the period.

In examining the balance of payments, we must emphasize one feature of it, which we will mention only in passing here since an analysis of it appears in the next section of this study. When we discussed the inordinate rise in the government's current spending, we came up against a problem that is typical of an unstable economy. We saw how it affected deposits and the expansion of bank lending. But that was as far as the chain reaction went, inasmuch as the expansion of lending could be offset by a measure such as the import controls imposed by the Central Bank. When expanded lending runs up against this institutional wall, its effects turn inward, taking the form of an increase in the unofficial exchange rate, which leads to rising domestic prices, as is the case at present.

The solution to this typical problem of instability is to eliminate the source that is feeding it: by cutting back the government's current spending. Nonetheless, when we take a look at the balance of payments, we find something different. We find a structural problem in the economy. The structure of the economy has to be modified to solve the balance of payments problem.

When we learn that only 37 percent of the balance of payments deficit can be financed through normal flows (which are on the decline), inasmuch as of the rest 31 percent are AID transfers that could disappear at any moment and 32 percent is overdue foreign debt, then the solution to this problem must be an increase in exports so pronounced that it can alter the structure of the economy or a decline in imports so sharp that it, too, can modify the structure of the economy. The third solution, a drastic one, is a total suspension of foreign debt payments.

In the final part of this section we would like to summarize and, at the same time, interpret the results that we have come up with so far, after plowing through so many statistics. Remember that in identifying and elucidating our stabilization problems, we have applied a model that seeks to interpret present conditions in Honduras in light of the government's current spending. We began with an obvious fact: the government's current spending is excessive. Therefore, we introduced a moderate evolution of this variable into the model. Excess current spending is the disruptive element, the source of our problems of economic instability. It causes an increase in demand that translates into inflationary pressures, which in a country with an open economy, like Honduras before 1982, led to a heavier balance of payments deficit. After import controls were imposed in Honduras, however, these pressures shifted to the exchange rate, which rose in the unofficial market, thus accelerating the rise in domestic prices.

At bottom, instability problems are due to current spending by the government that exceeds its current revenues. Afterwards, this excess shifts to the banking system, showing up as an inordinate intake of funds by banks (deposits), which makes excess bank lending possible. The next link in the chain is when such excessive bank lending promotes a rise in imports and further unbalances our payments. The process stops here, however, because it runs up against the wall of imports restrictions. The pressure from excess bank lending then affects the unofficial exchange rate and domestic prices.

What we have done in this section of the document is to quantify, step by step, the effects of the process in question. We have tried to make our assumptions as realistic as possible.

The following is a succinct interpretation of our findings. The structural problem of the balance of payments has worsened in Honduras since 1982, and as of 1987 it has been compounded by the instability stemming from an excess of government current spending.

Moreover, in 1987 and 1988 exporters made extensive use of the mechanism of compensation and barter that was instituted in 1986. Within the inflationary climate that this mechanism fostered, the Transferable Option Certificates to Foreign Exchange for Export (CETRA) were introduced in 1988. Their purpose was to promote nontraditional exports, but their beneficiaries misused them, further fueling the inflationary pressures that had built up because of the financial instability that began in 1987. Owing to the deliberate shortages that their beneficiaries and middlemen caused, the CETRA's helped to boost the unofficial exchange rate from 2.2 lempiras to the dollar in early 1987 to almost 4 in October 1988, which in turn has fueled the domestic inflation that the country is currently experiencing.

II. The Structural Adjustment

In the previous section we focused on short-term problems; that is to say, how economic variables behave from year to year in a given economic structure. In the present section we take a medium-term approach and discuss structural problems. In a nutshell, we examine an initial economic structure, see how short-term changes lead to another final structure, and examine its merit. Our method is similar to the one we used in the first part of this study, only there the mechanisms for conveying the financial flows were described step by step so that readers could more easily understand the problems of instability. In this section we analyze the findings of this methodology.

The first issue that we come up against in this medium-term approach is economic growth. Let's look at the following numbers:

Table 19. Selected Economic Indicators (annual rise in percent)

Year	Exports	Imports	Nominal GDP	Prices (implicit)	Real GDP	Per Capita GDP
1983	3.3	11.1	4.7	5.0	-0.2	-3.7
1984	5.5	17.0	7.1	4.2	2.8	-0.7
1985	7.1	-0.6	8.0	4.6	3.2	-0.3
1986	12.9	-0.6	8.9	5.7	3.1	-0.4
1987	-5.3	2.3	6.7	1.7	4.9	1.4
1988	5.8	2.6	8.5	4.4	4.0	0.5
Average	4.7	5.1	7.3	4.3	3.0	-0.5

From the above table we can deduce the trend in economic growth in Honduras since the 1982 recession. From 1983 to 1988 the economy grew at a real average rate of three percent a year. This has not been enough, however, to keep pace with the population increase of 3.5 percent. The per capita GDP has thus been falling at an annual rate of 0.5 percent over the past 6 years.

The pattern of growth that can be deduced from the preceding table is the following. The main constraint has been the poor performance of exports (4.7 percent on the average), which has limited the rise in imports (5.1 percent). The moderate rise in imports of raw materials has enabled industry to grow at an annual rate of only 4.5 percent and agriculture at just 2.5 percent. In short, the pattern of exports has enabled the GDP to grow at an annual rate of just 3 percent.

Note in the table in question how the GDP rose by 4.9 percent in 1987 and by 4 percent in 1988, in other words, above the average rate of 3 percent that exports allow. This indicates that over the past 2 years the GDP has been pulled up by demand, which in turn has unleashed inflationary pressures, as we saw in the previous section when we examined the excess current spending of the central government, the banks' inordinate intake of deposits, and the surplus lending in 1987 and 1988. These problems of financial instability are reflected not in the price increases shown in Table 19 but rather, first, in the rise in the unofficial exchange rate and then, in 1989, in the domestic price index.

We have estimated how much imports would have had to increase to resolve the structural problem in the balance of payments (see Table 14), that is to say, in order to eliminate the arrears in foreign debt payments and provide for the possibility that AID could withdraw its balance of payments assistance in the future. Accordingly, imports ought to have increased only 1 percent instead of 5.1 percent, as they actually did during this period. But a one percent growth in imports would have made for a practically stagnant GDP during the period under analysis (that is to say, zero growth). From this standpoint, the structural adjustment that the economy should have undergone to correct the balance of payments problem consisted of cutting the rise in imports from 5.1 to 1 percent and GDP growth from 3 to 0 percent. This is a significant change in growth pattern, implying yet further restrictions on imports of raw materials and essential consumer items. To cut the growth rate from an average of 3 percent to 0, while the population was increasing at a rate of 3.5 percent, would have meant a decline in the per capita GDP of 3.5 percent instead of the 0.5 percent that actually occurred.

There were basically three economic policy solutions:

i) An intensive program to promote nontraditional exports, as Costa Rica undertook, which would boost overseas sales at an annual rate of 9.1 instead of 4.7 percent.

ii) A cut in imports of the magnitude indicated above (from 5.1 to 1 percent).

iii) Going into arrears in foreign debt payments and relying on assistance from AID.

Now then, exports did not, in fact, increase at a rate of 9.1 percent for 6 years, nor were imports reduced. What actually happened was a balance of payments deficit only 37 percent of which could be financed by 1988, the rest being covered by assistance from AID (31 percent) and by arrears in foreign debt payments (32 percent).

The economic policy that was adopted sought to boost imports to the extent that the evolution of exports allowed so that the GDP would expand at a 3 percent annual rate. The alternative was to save (by cutting imports) and cope with heavier foreign debt servicing in the future and with the potential elimination of assistance from AID. The first option meant expanding the GDP to the maximum that exports would allow, but at the cost of paying the country's international liabilities. The second meant meeting our foreign debt obligations, but at the cost of GDP growth.

A compromise seemed most appropriate for the country: combining an export-promotion program with a cut in imports, but a program that should have been more effective than it turned out to be, in other words, higher than 4.7 percent growth in overseas sales and overseas purchases increasing by less than 5.1 percent. For example, a 7 percent rise in exports and a 2.5 percent increase in imports.

We are aware of the difficulties in implementing an option like this. Enterprising, aggressive businessmen are needed who can coordinate the factors of production in such a way as to boost productivity and exports. The main difficulty is political, however. Such a policy requires leaders with a clear and responsible political awareness. Accordingly, the conclusion is that Honduras' economic problem is actually a political problem.

Finally, in this section we want to highlight a structural problem in the agricultural sector. Farm and livestock production is not meeting the demand of the population. Shortages and rising prices are the result. Let's see what the trend was in the output of a few selected items in the 1980-88 period.

Table 20. Selected Agricultural Production (annual percentage increase in the 1980-88 period)

Item	Rate
Corn	2.9
Beans	-2.5
Rice	2.7
Millet	-3.0
Eggs	3.6

Table 20. Selected Agricultural Production (annual percentage increase in the 1980-88 period)

Item	Rate
Milk	3.2
Beef	2.4
Pork	3.2
Chicken	2.9

With the population growing at a rate of 3.5 percent and the country's main cities at a rate of more than 6.5 percent, shortages and sharp price increases are not surprising. Besides the structural problem that can be seen in Table 20, the shortages and steep inflation that the country is currently experiencing are caused by the short-term problem analyzed in the first section of this study. The excess lending that translated into inflationary pressures created an atmosphere that was conducive to the CETRA's pushing the unofficial exchange rate higher. Salvadoran and Guatemalan merchants took advantage of this and bought Honduran products at what were low prices to them and higher prices to the Honduran producers after the unofficial exchange rate rose to nearly four to one. The outflow of Honduran goods caused shortages and inflation. The structural problem revealed in Table 20 was compounded by the short-term problem described above. The result has been shortages and inflation in Honduras.

The problem of structural stagnation in Honduran agricultural output is analyzed in the following section.

III. Economic and Social Development

Summarizing what we have found so far in this study, we have:

i) Medium-term GDP growth has averaged 3 percent.

ii) In 1987 and 1988 problems of financial instability also arose and caused the GDP to grow by 4.9 and 4 percent respectively. Economic instability, along with the appearance of the mechanisms of compensation and barter and the CETRA's, pushed the unofficial exchange rate up to almost four to the dollar. This development had three dire consequences for the economy:

1. A structural stagnation in farm production was compounded by worsening shortages of and higher prices for farm products; these developments were caused by the trend in the unofficial exchange rate of the lempira, which in turn was due to financial instability.

2. Foreign exchange was diverted from essential to nonessential uses.

3. Speculative expectations were unleashed in the economy.

iii) In pursuing an economic policy designed to achieve 3 percent growth in the GDP, the government forgot about a structural adjustment of the economy. Faced with the dilemma of economic growth or payment of international obligations, it sacrificed the latter, the result being that now, in 1988, the structural imbalance of the economy is worrisome, as only 37 percent of the balance of payments deficit can be financed normally, with the remaining 63 percent financed by AID (31 percent) and arrears in foreign-debt payments (32 percent). Carrying out a structural adjustment and paying international obligations would have meant economic stagnation (zero growth in the GDP).

iv) Lastly, the dilemma boils down to either 0 or 3 percent growth, with all of the implications thereof.

We now introduce a new element into the panorama that we have just described. What sort of economic growth is required by the country's population growth? Let's look at social mobility over the long term:

Table 21. Summary of Honduran Population Trends 1960-1988 (thousands of people)

Type	1960		1988		Average Annual Growth 1960-1988
	Population	Structure	Population	Structure	
I. Rural	1,505	77 percent	2,625	60.0 percent	2.0 percent
II. Urban	440	23 percent	1,752	40.0 percent	5.1 percent
i) Disadvantaged urban	75	4 percent	809	18.5 percent	8.9 percent
ii) Other urban	365	19 percent	943	21.5 percent	3.5 percent
III. Total population	1,945	100 percent	4,377	100 percent	3.0 percent

With the total population increasing at 3 percent a year (the urban population at 5.1 percent and the disadvantaged urban population at 8.9 percent), estimates are that the economic- and social-development needs of this rapidly expanding population cannot be met unless long-term economic growth averages 6 percent a year.

We now have the following range of economic growth:

0 percent 3 percent 6 percent

Zero percent is in keeping with a structural adjustment. Three percent is the growth that Honduras has posted at the cost of a structural adjustment, and 6 percent is the desirable pace from the standpoint of economic and social development. Seen from a different perspective, 0 percent is the recommendation of international institutions; 3 percent is the target of Honduran economic policy, and 6 percent would be desirable for the Honduran people.

The first and obvious conclusion is how far removed the position of the Honduran people is from the position of the international institutions (so far removed that at present it is little less than utopian). To be realistic, the battle at present is restricted to the range between 0 and 3 percent; the target for economic and social development is out of the question. It is for this reason that unemployment rates are so high and poverty and extreme poverty in the city and countryside are so widespread.

Given that farming has been stagnant in the face of rapid long-term population growth, there is a fourth way to deal with the situation we have described: the development of agriculture, which is also a long-range answer. This, then, would be Honduras' economic development strategy.

IV. Conclusions

In a nutshell, the following are our conclusions:

1. The most serious problem in the current economic situation is the unofficial exchange rate of 3.5 lempiras to the dollar, which has caused shortages and inflation, diverted foreign exchange from essential to nonessential uses, and created speculative expectations about devaluation and inflation.

2. The disparity between the official and unofficial exchange rates is the result of financial instability coinciding with the appearance of the compensation mechanisms and the CETRA's. Financial instability is caused, in turn, by excessive growth in current government spending.

3. Beyond the short-range economic situation, the most serious problem is the economy's structural imbalance. Faced with the dilemma of structural adjustment or economic growth, economic policy makers opted for economic growth, with the GDP expanding at a rate of 3 percent (the maximum allowed by the performance of exports).

4. The alternative was zero growth, which the country's authorities did not think was politically advisable.

5. The price that had to be paid for economic growth was worsening relations with international institutions owing to the failure to meet foreign debt obligations.

6. The decline in domestic savings is another price. In 1980 spending was financed 46 percent by domestic savings and 54 percent by foreign savings; in 1988 the structure had shifted to 32 percent domestic savings and 68 percent foreign savings.

7. The magnitude of the structural imbalance is significant. By 1988 only 37 percent of the balance of payments deficit could be covered by capital inflows, while the remaining 63 percent was financed with assistance from AID (31 percent) and by going into arrears on the foreign debt (32 percent).

8. Bearing in mind rapid population increases in estimating acceptable economic growth to meet the needs of economic and social development, we see that this growth option is becoming little less than utopian, altogether unrealistic, in fact, given current conditions in the country, which is torn between between structural adjustment and growth at a pace at least equal to the population's rate of increase.

V. Recommendations

Based on all of the foregoing, a strategy for running the economy over the next few years ought to rely on the following policies:

1. Moderate growth in current spending by the central government to 5 percent a year over the next 5 years, which would eliminate current dissavings and make up for AID contributions to the budget.

2. Regulate overseas payments while seeking to maintain financing flows and avoiding the extreme of suspending payments.

3. In new negotiations for foreign loans and in any rescheduling that is done, interest payments on the foreign debt should not increase more than the nominal GDP rise.

4. Bolster export-promotion programs and avoid luxury imports.

5. Moderate the increase in lending to the government and to the private sector to levels that are consistent with growth in production.

6. Gradually reduce the current account deficit so that its financing can be normalized in no more than 5 years.

7. Promote the development of the agricultural sector so as to assure a permanent supply of the farm products that are part of the family shopping basket and to boost the sector's exports.

Tegucigalpa, D.C., May 1989

Footnote

1. This study is based on the work titled "Analysis of the Economic Situation of Honduras," which was prepared by Nohemy Cerna from the Department of Economic Studies and Edmundo Valladares, assistant to the president of the Central Bank of Honduras.

Nicaragua

Ortega Praises Revolution on Anniversary

PA1907172589 Managua Radio Sandino in Spanish 1526 GMT 19 Jul 89

[Speech by President Daniel Ortega at the ceremony marking the 10th anniversary of the Sandinist revolution at Carlos Fonseca Amador Square in Managua—live]

[Text] The UNO [National Opposition Unity] means nothing at all [play upon the word uno in Spanish, which means one]. Although its soul is sold to imperialism, UNO means nothing at all. Even if the UNO is the GN [National Guard] itself, UNO means nothing at all. Even though it longs for Somozism, UNO means nothing at all. With or without Reagan, UNO means nothing at all. Those of us here are not UNO members, because we are a lot more than that. Nine of us are here [applause, shouts], as well as the 50,000 who died in the war of liberation and the thousands who were killed during this new stage in the defense of revolutionary power. UNO means nothing at all. Thousands of us are here, representing millions. The people are here. Here is the people's power and Sandinist power. Here are Carlos [Fonseca], Sandino, and the revolution.

These have been 10 years of people's war; 10 years of saying no to illiteracy; 10 years of defending education for 1 million students; 10 years of saying no to infant mortality—which has been reduced from 121 per 1,000 to 64 per 1,000. Some are asking that the flags be lowered. Ask the comrades up front here to lower the flags, to lower the flags so the comrades back there can see. These have been 10 years of saying no to the destruction of 2,292 homes, 20 health centers, and 48 schools by imperialism's mercenaries.

[These have been] 10 years of saying no to the mining of ports; 10 years of saying no to the infamous slander campaigns; 10 years of saying no to the economic embargo, which has seriously damaged Nicaragua's economy and has cost $775 million in direct losses; 10 years of saying no to the imperialist war, which has resulted in over 55,000 victims and losses of over $15 billion.

[These have been] 10 years of saying no to the unjust international economic order, which has imposed losses on us exceeding $2.4 billion through lost trade; 10 years of saying no to the trampling upon the international legal order; 10 years of saying no to interventionist and meddlesome policies; 10 years of saying no to apartheid, racism, colonialism, all types of domination, and exploitation; 10 years of saying no to the policy of terrorism against the Palestinian people; 10 years of saying no to the violation of human rights; 10 years of saying no to the North, which is denying the Third World peoples' right to life; 10 years of saying no to the arms race and to hegemony; 10 years of saying no to injustice, oppression, poverty; 10 years of saying no to selfish individualism; 10 years of saying no to treason; 10 years of saying no to the large-scale landowners; 10 years of saying no to Somozism, capitalism, and imperialism; 10 years of saying no to the 158 years of neocolonialist and imperialist domination; 10 years of saying no to the past; 10 years during which we have all voted against war, against death.

For 10 years, the people have been voting for the FSLN [Sandinist National Liberation Front], for Nicaragua, life, joy, and the national housing plan, which has benefited more than 200,000 people who had been living in rented housing. These people have been given land deeds. We will continue to grant deeds and lands to urban dwellers, just as we have been doing since the day the revolution triumphed. For 10 years, we have been voting to eliminate scourges such as polio and to guarantee a glass of milk for every child. For 10 years, we have been voting so that peasants, cooperatives, patriotic producers, and the state can own the land. For 10 years, we have been voting for agrarian reform, which has benefited more than 120,000 families with more than 3 million manzanas.

For 10 years, we have been voting for national reconstruction, for the construction of 1,735 schools, to lower large estate ownership from 36 to 7 percent, building hospitals and health centers, helping people build some of these homes, building 51,423 homes in the past 10 years. For 10 years—and for the first time in the country's history—the people have had access to tourist centers, which previously were the exclusive privilege of the wealthy. For 10 years, we have been working so that the people can enjoy the right to participate in and to attend sports events. For the first time in Nicaragua, child-development centers have been built. We have built 32 of these centers in cities and 86 in rural areas. In addition, we have built 53 rural centers for gifted children and 6 homes for the elderly.

For 10 years, we have been voting for the construction of 1,991 kms of all-weather roads and highways. For 10 years, we have been developing the country's geothermal resources. We have expanded potable water and sewage services, helped by the people and by community participation. For 10 years, we have been voting for the agro-industrial projects in Jiltepe, Valle Cebaco, Victoria de Julio, TEXNICSA [Nicaraguan Textiles, Inc.], COTEME [not further identified], Kukra Hill, El Castillo, Asturias, the deep-water harbor, and thousands of small and medium-sized projects—the results of the people's and the government's efforts and of international solidarity.

We could spend the whole day here just listing the numerous projects developed as a result of the revolutionary process. These projects amount to more, many more, than all the projects destroyed by the counterrevolutionaries and the U.S. policy of aggression. We could spend the whole day just listing all the projects that the revolution has completed in 10 years. The number of these projects is far greater than all those completed in Nicaragua during the 158 years of capitalist and imperialist domination. We could spend the entire day on this topic. However, we are not interested in persuading anyone; the people are already persuaded. The people are aware of this effort, because they are the ones who began these projects. Those who do not believe never will, because they never cared for the people. They were only concerned with exploiting, never benefiting, the people.

The fact, however, that some people do not believe in Nicaragua does not concern us in the least because UNO is nothing; because UNO [crowd shouts: is nothing!] UNO [crowd shouts: is nothing!] UNO [crowd shouts: is nothing]. Here is the people's power, the Sandinist's power, the revolutionary power. [applause]

This miracle has been possible because God is with the people, and the people have been defending themselves from Goliath's fury with David's slingshot. The people are the militiamen, the unconventional warfare battalions, the reservists, the Sandinist People's Army [EPS] fighters, and the Interior Ministry fighters. In this national, patriotic war against Yankee imperialism—which is unprecedented in Latin American and Caribbean history—the defense of a small country has been consolidated with the heroism, sacrifice, and combativeness of a people who have organized their defense around the EPS. During 10 years of defending the homeland, 1 million Nicaraguans have picked up their rifles to defend their nation, to defend sovereignty, to defend dignity. [applause]

Of those 1 million Nicaraguans, 550,000 have been youths, who have fulfilled their Patriotic Military Service [SMP] duties. I am not talking about one youth fulfilling his SMP because one youth [crowd shouts indistinct words]. We would not have been able to defend the homeland; we would not have been able to defend the revolution with one [crowd shouts indistinct words]; we would not have been able to defend anything. One million armed Nicaraguans defended the homeland, 550,000 youths—the cubs, those dependable, law-abiding youths—most of whom have returned to their homes victorious in the eyes of Sandino's people. [applause]

This miracle has been possible because of the spirit of the 40,000 workers, who are part of the economic brigades, and of the 1,300 innovators, who have put their creativity to use against imperialism, because of the strength of the rural and urban workers. The strength of the ATC [Association of Agricultural Workers], the CST [Sandinist Central Organization of Workers], and the UNAG [National Union of Farmers and Cattlemen] has been a determining factor in our success in waging this battle. This miracle has been possible because of the determination of the public workers, who have been mobilized to the most dangerous locations; this miracle has been possible because of the tenacity of the permanent and voluntary coffee pickers, the courage of the youth, the boldness of the Nicaraguan women, the beliefs of the technicians and professionals, because of the artists, teachers, journalists, and intellectuals, because of the firmness of the Christians, the heroism of the war disabled, because of the faith of the mothers of the heroes and martyrs, because of the holy blood of our heroes and martyrs, because of international solidarity, which has joined us in our sacrifice and sorrow, and in the happiness of victory. [applause]

At the forefront, always willing to sacrifice their lives, there have been the brave and generous—such as [German] Pomares, (Celin), Julio [not further identified], Luisa Amanda [Espinoza], Camilo [Ortega], Gaspar [Father Gaspar Garcia Laviana]—who are all FSLN members, always at the forefront, always at the vanguard. [applause]

This task, this miracle, is not the work of one man because [crowd shouts indistinct words]; it is the work of the people. This is why we are here today with Managuans celebrating this 10th anniversary. There are not 300,000 Managuans here at this square; there are more than 300,000 here today, and more continue to arrive, while others have been forced to stay behind, lining the avenues—because they have been unable to get any closer. This is democracy in defense of the homeland and the economy; with freedom of expression; autonomy for the Atlantic coast; freedom of organization for all the economic, social, and political groups; the democracy of the 1984 elections; the democracy demonstrated by the organized solidarity of all Nicaraguan brothers to confront the hurricane.

This is the people who broke out of the dungeons in 1979, after a long series—to use baseball terminology, since we are a people who like baseball. The imperialists, the capitalists held us—the people—captive in dungeons for 158 years, but the people broke out of those dungeons on 19 July 1979, and will never return to those dungeons. It is in those dungeons that the reactionary groups, the imperialists, and the capitalists will remain forever. [applause]

It is true that there was a time during the Somozist era when the per capita income was very high. We reached a per capita income of $636.8 million—excuse me, $636.8 million was the total in exports, giving us a per capita income of $250. That was in 1977—$636.8 million in exports and a $250 per capita income. Nice figures, but they fooled no one. Did the capitalists and Somozists distribute that $636.8 million equally among the people? No, they did not. They kept a big portion and gave the people the crumbs. The word per capita was only an illusion. We cannot deny that today our economy has been affected by the war and the aggression.

In 1988, our exports amounted to $252.4, and per capita income was $70. However, we must take into consideration that today we are talking about this money being distributed among all the Nicaraguan people, and the capitalists do not keep all that money received for our exports; that is what they are fighting for; that is why they are complaining; that is why they do not want the revolution. They want that money, of course.

Everyone knows that the revolution did not unleash the crisis. Everyone knows that the crisis is the result of the war and foreign aggression. If the capitalists were ruling Nicaragua and experiencing this war and foreign aggression, they would also be in a state of crisis, the per capita income would have dropped, and exports would have dropped, as is the case throughout Latin America. However, the distribution would be the same as in the past, and the people would be going through hell. That is the way the capitalists treat the people.

However, with the revolution, economic policies to protect the workers were drafted. Very strong economic policies were drafted, and these have always been in defense of the people's interests. That is what counts when you draft an economic policy. The people are involved in the economic problems; we have discussed the economic problems with you during our many meetings, during thousands of meetings. You are no strangers to the topic of inflation. The sacrifice, determination, and firmness of the Nicaraguan workers in face of the economic measures we have implemented this year are praiseworthy. Praiseworthy is the morale of those comrades whose employment hours have been cut back, or who have lost their jobs. Those comrades have not taken to the streets to criticize the revolution. They understand why this was done, because here such things are discussed with the people. The people at the various institutions talk these matters over; the workers at the enterprises talk these matters over.

We also help comrades who lose their jobs find new ones. We must do more to ensure that the comrades who lost their jobs can find other ones; we cannot be satisfied or feel happy as long as there is a single Nicaraguan without a job. It is our duty to achieve this objective; and we are going to achieve this objective once we have controlled inflation and increased our production—even if coffee prices drop, as happened this year. We must continue to increase our production and to curb inflation. Nicaraguan brothers, I can assure you that inflation is under control, that inflation is not overruning us, as is the case in other Latin American countries. That is because here in Nicaragua anti-inflationary measures and economic policies are not drafted or ordered by the IMF; these measures and policies are not drafted or ordered by the Yankees. These measures and policies are drafted, ordered, and implemented by the Nicaraguan people. This guarantees the success of Nicaragua's economic measures. [applause]

The revolution has democratized the economy, education, health care, and land ownership. All totalitarianism ended with the revolution. We have defeated the U.S. policy, but the United States still has not decided to start a new relationship with Nicaragua.

We must bear in mind that winds of peace are blowing all over the world. The agreements reached by the Soviet Union and the United States are very important to world peace. The United States has not yet made up its mind to respect the rights of the Third World countries in Asia, Africa, Latin America—and particularly in Nicaragua. The United States continues to underestimate our peoples. We agree with the United States that our two countries advocate peace. It is easy for the United States to demonstrate that it advocates peace. If the U.S. President advocates peace and abides by the laws, he should immediately end his policy of war and death waged against the Nicaraguan people.

He should respect the Central American presidents' decision to evict the contras from Honduran territory. We will meet in Honduras in August and will discuss the expulsion of the contras from Honduran territory. This is the Honduran Army's duty. It is the Honduran Army's duty to guarantee the country's sovereignty, but the Yankees have smuggled the contras—another army—into the country. The Yankees have also pressured the Hondurans into delaying this eviction of the contras. I believe, however, that the Honduran president, with whom I have talked on many occasions, is willing to get this plan under way.

Nicaragua has complied with what was agreed upon in El Salvador. We have had to take very difficult steps, such as the release of the Somozist guardsmen. That was very hard to do. Let that be for peace's sake, and let us give the Somozist guardsmen the opportunity to rejoin Nicaraguan society, to stop being the way they were, and to now act as patriots and sensible people. We are giving this opportunity to the Somozist guardsmen and to thousands of persons we have released even though they engaged in counterrevolutionary activities.

We have decided to move up the elections to 25 February 1990 and have appointed a very balanced Supreme Electoral Council, which now includes representatives from the nation's entire political spectrum. There is absolute freedom of the press in Nicaragua. We have more freedom of the press than any other country on the continent and even the United States itself. So, all that is needed is for the Central American presidents to fulfill the agreement we signed in El Salvador—that is, that the contras be demobilized. This means evicting the contras from Honduran territory.

Some time ago I told Honduran newsmen who asked about our relations with Honduras that we have nothing against Honduras. The Nicaraguan people are friends of the Honduran people. It is easy to prove it. Do you want war with Honduras? [crowd shouts "No"] Are you brothers of the Honduran people? [crowd shouts "Yes"] Do we want peace with Honduras? [crowd shouts: "Yes"]

This is the voice of the Nicaraguan people and of the Honduran people. If the Honduran Government does not take the necessary steps, the Honduran people—who are getting tired of the contra presence in Honduran territory—will end up evicting the contras themselves. The Honduran people will get them out if the Honduran Government does not dare do it. [applause]

What would be best, though, is that everything be done in accordance with the historic agreements we signed in August 1987 in Guatemala—the Esquipulas Agreements—which resulted from an initiative of President Oscar Arias. Arias put together proposals on which the Contadora Group had been working and which had always been supported by the Nicaraguan people and Government.

We have always advocated a peace plan or a negotiated settlement. How can we convince the United States to accept peace? We have failed to convince it. The Central American presidents will not permit a de facto situation to exist. The presidents have said: We have an agreement, and we will fulfill it whether the United States likes it or not.

However, our willingness is put to the test when we try to implement the agreement and the United States exerts pressure; our willingness will again be put to the test in August, in Honduras, on the 2d anniversary [of the Esquipulas Agreements]. What do we have to demand from the U.S. Government? Demand, not request—because we are not expecting a gift from the United States; it has an obligation to fulfill. We must demand that the United States respect the Central American presidents' agreement; we must demand that it let us act. The United States has to let us evict the contras if we want to evict the contras. It should not exert pressure so that the contras remain in Honduran territory and continue to launch attacks on our people.

The contras enter our country from Honduran territory and launch attacks, and we are compelled to deploy our forces throughout the country. It is true that they cannot defeat the revolution; it is true that they cannot defeat the people's power; it is true that Reagan's policy has failed completely; and it is true that the contra policy has been buried. However, they can still inflict harm, so we must demand respect; and the contras must leave Honduras. That is what we expect, and we are working on this with the Honduran Government. We considered discussing some ideas, and we have already begun to do so with the Honduran ambassador to Nicaragua. This should guarantee a successful meeting in Honduras.

Honduras should get rid of the contras, and it should become a nation that ensures respect for its sovereignty and people and respect for international law. Nicaragua has struggled for peace throughout the years, and we have struggled well in many ways. We have used our weapons to struggle for peace: peace for our economy, peace for our education, peace for our health, and peace for our international policy. Negotiations have become an important weapon, and Cardinal Obando y Bravo has participated in our efforts. We have requested his participation many times. I recently asked him to mediate with the U.S. Government for a dialogue between the United States and Nicaragua, to help us find a negotiated solution.

Within this context, we even held meetings with the contras. First we met in the Dominican Republic, then in Costa Rica, and then in Guatemala. The contras said that they wanted to meet in Nicargua, so we met in Sapoa. Humberto [Ortega, Nicaraguan defense minister] went to Sapoa and met with the contras. However, they wanted to meet in Managua, so we met in Managua. The contras thought that the crowds would come out and cheer them. They did not realize that the crowds would only come out to hang them! We had to control the crowds to prevent them from hanging the contras! [applause]

It took a major political effort to convince you that you must not go against the contras and that you must let us work on the negotiation process. The contras felt disillusioned in Managua, because the masses failed to appear. [Contra leader Enrique] Bermudez and the right-wing groups met with great expectations, but the masses failed to appear. Then they said: We do not want to meet in Managua; we will now go abroad; we will now go to Washington; we will now go to another country. No one can understand them. First they go abroad; then they come here. They are never pleased. A defeated person is never pleased.

However, they have the chance to settle in Nicaragua, provided that they accept the peace plan. They can easily join the peace process in Nicaragua if they accept the peace plan. Some people were involved with the contras but have returned to our country—after signing a note stating that they have broken ties with the counterrevolution. All those who want to join the peace process in Nicaragua can do so under those conditions—because we advocate pluralism. Nicaraguan pluralism allows all political and social forces to freely express themselves.

The revolution is not afraid of an ideological or political struggle. The revolution advocates truth, justice, and historic changes. The revolution is irreversible, although there are voices that oppose the revolutionary process. From this plaza and on this anniversary, we are telling the U.S. leaders: Let us work earnestly for peace in Central America. This is a Central American problem that affects all of Latin America. The United States has brought about crises in Nicaragua, El Salvador, and Panama. Where will all this lead us? The United States is the destabilizing factor in Central America. We have been willing to work for stability in Central America. We are willing to work with the United States in this sense.

We cannot help being a destabilizing factor. When the Nicaraguan revolution triumphed, it set an example for oppressed people. The example set by the Nicaraguan revolution became a destabilizing factor, but a destabilizing factor against injustice, oppression, lack of freedom and democracy, and human rights violations. If the United States does not want revolutionary actions by guerrillas and people who have taken up arms, let the United States work in earnest for democracy, justice, and human rights. Let it work to prevent the murders of bishops, clergymen, reporters, union leaders, and workers in Central America. As long as the United States persists in considering democratic governments that act like this, the people will engage in revolutionary struggle because they cannot be deceived and can clearly ascertain who the oppressors are and when there is and when there is not democracy. They realize that they are entitled to enjoy democracy. [applause]

We are willing to work with the United States for a negotiated solution to all these problems. However, we must sit down and talk. It will not hurt the United States to sit down and talk with Nicaragua. How can this hurt the United States? Such a gesture would enhance U.S. prestige. What is the United States waiting for? We are ready to sit down and talk with the United States. The United States must respect the Esquipulas peace plan. This is an important issue and is permanently on our agenda. The United States must realize that, regardless of its will, Nicaragua will continue to work for peace and to strengthen democracy in the economic, political, and social spheres.

I met with President Oscar Arias recently. After a long conversation, in which he rejected the U.S. policy of war, interventionism, and aggression, I told him I would initiate a dialogue with the rightist and independent parties that are willing to participate in the elections. We will soon initiate this dialogue, although we will decide on the procedure later. What really counts is that a dialogue will be initiated to again give these people—this does not happen in any other Latin American or Caribbean country—another chance to express their views, for example, on the electoral law and media regulations. Such a discussion could truly enrich the electoral process. We must take into consideration that Nicaragua deals with these points in an exceptional way.

No other Central American country has done so much. It is true, there have been democratic openings in Latin America after the triumph of the revolution because when the revolution triumphed, Latin America was filled with military governments. However the Nicaraguan revolution was the spearhead of the Latin American democratic opening. When the democratic openings occurred in those countries with military governments, the military imposed conditions. For example, the military banned some political leaders from participating in elections, those leaders would be put in jail. Other political groups, happy that a democratic space had been opened, would agree to something like that. They had no other alternative but to participate in the elections under conditions imposed by the military. They were a minority who had exerted brutal repression against the people and the parties participating in the elections.

In Paraguay where elections were held recently, there is a law that is completely antidemocratic. The law clearly establishes that if the parties in the Paraguayan assembly, parliament, or congress—whatever they call it—independent of the number of votes received by the parties that opposed Alfredo Stroessner, get enough votes to occupy, say, 60 or 40 percent of the congress seats, they will only get 25 percent of the seats, because that is the law; the other 75 percent of the seats will always be occupied by Stroessner's party. The United States has already decided that Paraguay is a democracy, and that is that. That is democracy, and there is nothing more to be said. For them there is no embargo, no blockade, and no international campaign. We can give you many other examples in Latin America; small and large countries where situations like the one in Paraguay are going on—but who are we to say what democracy is in another country? We are here to describe democracy in our country, and we do not want to tell another country what democracy is, because we want the self-determination of our people to be respected. The Nicaraguan people will evaluate this democracy. The Nicaraguan people will say if they are pleased or displeased with this democracy. The Nicaraguan people set the rules of the game for the elections and not the military, as has happened in most Latin American countries where democratic openings have appeared. Here, we can talk about authentic and total democracy; here we can talk of an authentic and total multiparty system; here we can talk of authentic and total freedom of expression and mobilization of all the political, social, and economic forces in our nation. [applause]

We [the FSLN] will hold a dialogue with the rightist and independent parties. I expect them to take a responsible, serious position. Therefore, it is their opportunity to participate in the electoral process. They should not be frightened by what they have seen today; of course, that is the problem. They are watching television right now, and they are probably saying: Wow! If the front has that many followers, then we are lost. [applause] They may now call for abstaining or attend the dialogue and make requests that are impossible to grant. Then, when they do not get what they want, they will say: Well, since there are not enough guarantees, since the rules of the game are not clear, we will not participate in the elections. In this manner they will attempt to hinder the elections. However, everyone must clearly realize, they—those rightist parties—in particular must clearly realize that they can either take it or leave it [the elections], but we will nevertheless hold elections in Nicaragua on 25 February 1990. [applause]

These will truly be elections between the revolution and the counterrevolution, between Somozism and Sandinism. Elections between the revolution and counterrevolution, between imperialism and Nicaragua, between

Somozism and Sandinism. That is going to be the confrontation, that is going to be the battle. The battle against Somozism has already been won by the people.

We will have clean and honest elections, like we had for the first time in Nicaraguan history in 1984 when seven political parties participated. We now have 21 legally registered parties. We do not impose conditions here, like in other Latin American countries, where the parties are asked to present [a list of adherents'] signatures. The parties are told: You must gather at least 30,000 signatures, or 50,000 signatures, to legally register the party. If we started to demand that the 21 parties present a list of signatures most of them would disappear. Therefore... [changes thought] Well, we prefer to give more opportunities so that the struggle of ideas, the ideological struggle, may be waged. We are not afraid to do so because it enriches our revolutionary process, it is a challenge for the people's creativity, it is a challenge for the people's minds, and it strengthens the people's minds, preparing them for the struggle against U.S. imperialism and its internal allies. [applause]

We have been commemorating and continue to commemorate the 10th anniversary of the Sandinist people's revolution. This is an undeniably historical event, and it has been achieved with the FSLN's leadership. The FSLN convened all the people to participate in ousting the Somozist dictatorship, and it is undeniable that there were some courageous actions by people who were not FSLN activists and who had different ideas. We invited Mrs Violeta Chamorro to participate in the government junta for national reconstruction under those conditions; and she adopted a firm and courageous position when we negotiated with the Yankees. They wanted to impose... [changes thought] make some changes in the junta; they wanted to increase the number of members in the junta. Mrs Violeta Chamorro told the Yankees that she would not accept this, meaning that she would not accept the Yankees' impositions.

There was also Alfonso Robelo, whom we called upon on a personal basis—not as part of an alliance with the MDN [Nicaraguan Democratic Movement]. No, we did not meet with him as MDN leader. We met with him as representative of an economic and social sector. He agreed to participate, and he donned the red and black handkerchief [handkerchief worn around the neck by FSLN members]. I believe he donned it full of enthusiasm on a joyous occasion. He was a person with capitalist ideology who was attracted by the people and the masses. I remember that we went to a rally in Chichigalpa and the workers began to sing: Power to the workers! Power to the workers! Robelo sang along with them: Power to the workers! Power to the workers! [crowd laughs]

It seemed like Robelo would take the workers' side. He even went to Cuba and issued a great 26 July speech there, but his previous ideology was stronger. He could not take such a big step. The revolution gave him the opportunity to take a big step, but he could not, and he remained what he was. The same goes for Mrs Violeta Chamorro; she did not change either. To be honest, they did not betray anyone; they had clearly defined ideological positions. The revolution simply gave them the opportunity to take a big step, but they did not abandon their positions.

The same also goes for Moises Hassan. He was an FSLN activist, but Moises later seem uncomfortable with the number of problems that arose in the revolutionary process. I talked with him on several occasions, but he eventually decided to leave. He said that he did not want to cause any damage to the FSLN, so he left before he could, before the counterrevolution could manipulate him. Moises Hassan made that gesture. These things must be remembered because they are part of our history. We will not change our history; we will not invent another history. That is how it was, and it involved patriotic participation by the persons I have mentioned. They contributed in due time, and we have enough dignity, moral courage, and strength to recognize this, even though we are now on different sides; even though we now have different ideologies.

As president of all Nicaraguans, I want to make an appeal in this square to all Nicaraguan political groups and media: We must act truly calm and responsible, otherwise we will create such internal polarization that it will escape our control.

We do not want this to happen. We are at the threshhold of an electoral process, and it will depend on the maturity of the political leaders and the verbal, written, and televised media if this electoral process is seriously and responsibly carried out and if ideas, ideologies, and political stands are debated and personal interests forsaken. We must set aside lies and deceit and adopt a serious and steadfast attitude.

There has been much talk lately about polls. The parties and many people have taken polls behind the scenes. I would like to take a poll today among those gathered here. It would be a good sampling. Some are saying that a poll is being taken and that 1,300 people selected from various strata have already been polled. We have here over 300,000 people from various districts of Managua, and one third of the country's population lives in Managua. This would be a good sampling. Let me ask the first question more or less the way the pollsters do. Do you agree with the agrarian reform the Sandinist government has carried out? [crowd shouts "yes"]. [applause] Which ones say no? [applause, shouts]. Do you agree with the Sandinist government's education programs? [crowd shouts "yes"] Well, say "yes" or "no," because you have to say it before I ask the [next] question. Do you agree with the Sandinist government's giving free homes and lots to the mothers of heroes and martyrs and to poor people? [crowd shouts "yes"] Say "yes" or "no." Is the Sandinist regime democratic? [crowd shouts "yes"] [applause] Is the Sandinist regime mainly responsible for the economic crisis, the war, and the lack of credibility? [crowd shouts "no"] Are the Yankee government and its accomplices mainly responsible? [crowd shouts "yes"]

Does the Sandinist regime not enjoy popular backing? [crowd shouts varied reply] Let us see. Does the Sandinist regime not enjoy popular backing? [some in crowd shout "no," and others "yes"] Does the Sandinist regime enjoy popular backing? [crowd shouts "yes"]

If elections were held today, would the FSLN lose them? [crowd shouts "no"] If elections are held today or on 25 February 1990, will the FSLN win them? [crowd shouts "yes"] Do the people want the Yankees to stop bothering us? [crowd shouts "yes"] Do the people like the revolution? [crowd shouts "yes"] Do the people want peace? [crowd shouts "yes"] Has the FSLN government struggled for peace? [crowd shouts "yes"] Is Nicaragua free for the first time in history? [crowd shouts "yes"] With the revolution and peace, would Nicaragua have more resources, and would the people have a good standard of living? [crowd shouts "yes"]

We carried out the revolution to be free and to live. Better days will come because the people have so decided. The Nicaraguan people made this decision when they ended the kingdom of death to establish the kingdom of life. This was decided by the people, and they are better off today than in 1979.

Terror and death reigned at that time. We could say: There was once upon a time a sky without stars, moon, or sun. It was the kingdom of death. There was once upon a time—your arm and our controlled arm, Andres [Castro]—the best pitcher in the universe who, with a fast and direct pitch, hit the temple of the filibuster [allusion to San Jacinto battle during time of William Walker in 1856]. There was once upon a time, once and forever, 19 July. Long live 19 July 1979! Long live the 10th anniversary of the Sandinist people's revolution! Long live the FSLN! Long live peace! Long live Nicaragua! [People shout: Viva!] Free homeland [people shout: Or death!] [Applause]

Ortega on 1990 Elections, Revolution's Future

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[Report on interview with President Daniel Ortega by Epigmenio Ibarra in Managua—date not given]

[Text] Today marks the 10th anniversary of the Sandinist revolution, which put an end to 4 decades of Somozist dictatorship. However, peace is still one of the Nicaraguans' main objectives. Here is a report on these 10 years of Sandinist rule by Epigmenio Ibarra:

[Begin recording] [Ibarra] What is your assessment of the past 10 years, of the Sandinist people's revolution, and the correlation of forces in Nicaragua? What political gains has the revolution made?

[Ortega] Political gains are evident in the high degree of awareness that the people have developed during the past 10 years. The people would not have developed this high degree of awareness if they had not been subjected to direct U.S. aggression. This aggression has touched the people; the people have felt and rejected this aggression. The people have learned to appreciate the fact that the same way in which we were able to defeat the Somozas, we will defeat U.S. policy, too, in the military, political, and diplomatic spheres. In other words, the people feel a great security, a great confidence, and, of course, this places us in a position to continue to consolidate the revolutionary process.

[Ibarra] Why submit the power that was conquered with weapons to an electoral process?

[Ortega] Well, because these are regularly scheduled elections. Naturally, time has passed, and we want to know what the people think following the revolution's early years. We must bear in mind that we held the first elections in 1984, and we will soon put the revolutionary changes to a test. The people must show whether or not they are in favor of the revolutionary changes. A few years have passed since the 1984 elections, and we are heading toward the year 1990, when we will again hold elections, because we view this as part of the democratic process in our country. We want to give the people the opportunity—after becoming acquainted with various political and ideological options—to decide through the ballot box if they will continue to support the revolutionary process or will look for other options.

[Ibarra] Will power be turned over if you lose?

[Ortega] Well, power lies with the people, so power cannot be relinquished. The people hold power. The people want power to be shared by the Executive Branch, the Legislative Branch, and the Judicial Branch. The power shared by the Legislative Branch and the Executive Branch is what is at stake at the forthcoming elections.

[Ibarra] Mr President, when you talk about elections in Nicaragua, many feel that this is a concession that has been wrested from the Sandinist revolution—that is, that you have been forced to make concessions at the Esquipulas summit, in San Jose, and now—in order to be able to survive in the region—you are holding elections; you are democratizing the country. This is more or less the scheme. What is the real reason behind this election process?

[Ortega] The election process is part of the revolutionary process. That is, the elections are part of our revolution. The moment the elections are held, well—if you will—they will be part of, they will be the result of a battle, of a [word indistinct]. [end recording]

This is a description of the revolution's work and the opinions of Nicaraguan President Daniel Ortega. He has been, without doubt, one of the most important protagonists in the Sandinist revolutionary process.

Ortega Interviewed on Sandinist Leadership

PM1907135089 London MORNING STAR in English 19 Jul 89 pp 6-7

[Interview with President Daniel Ortega by Sandra Garcia: "Ten Years of Revolution: Nicaragua"—date not given]

[Text] Managua—[Garcia] You spent seven years in dictator Somoza's jails and then a decade leading the revolutionary government. What lessons learned during your time in prison have been useful to you as a statesman?

[Ortega] My time in prison is very much linked to the period of clandestine activity that I was involved in since my youth.

Both these forged discipline and, above all, helped one to remain cool and collected when having to deal with tense, changing situations.

The danger of acting hastily exists, but I think that my past clandestine lifestyle and experiences in prison helped in the formation of my character, and gave me patience and self-control.

[Garcia] How do you view the leadership experience of the national directorate?

[Ortega] We've managed to consolidte a collective leadership body in which we discuss how to make the major decisions in the best manner possible.

The more a decision is discussed, the more it is enriched.

We're living through such tense and such dynamic situations that rapid decisions are needed, but we always make sure that they are discussed beforehand.

An important element of acting with wisdom is to not leave a decision to just one person.

This isn't an experience unqiue to Nicaragua, but we've given it a different quality.

The first point of each weekly meeting of the National Directorate is to make and reflect on criticisms and self-criticisms.

This keeps us in our place!

You can't lose sight of the fact that some people run the risk of losing touch with reality when they have certain responsibilities and power.

[Garcia] What has been the worst moment for the revolution in these 10 years?

[Ortega] I'd say there were two equally difficult moments during which I felt very strong national tensions.

One was after the US invasion of Grenada in 1983, when the flights of the US spy-planes happened and our intelligence sources clearly indicated that thee was a real danger of a US invasion.

We had to deploy troops throughout the country and break up the concentrations of military equipment and armoured vehicles in expectation of an aerial attack.

This happened again in 1985.

The other tense moment was the arrival of Hurricane Joan in October 1988.

Among the happiest moments, though, was the rally on August 23 1980, when the literacy campaign was brought to a close.

That was impressive: The youth joining together and teaching the people what they had always dreamed about - reading and writing and receiving from these newly literate people their own personal, social and economic experiences.

It brought together the youth and the people from the barrios, the cities, and the countryside.

The literacy campaign demonstrated the true dimensions of the quality of the revolution.

[Garcia] Socialism appears to be going through a crisis. When you claim that the Nicaraguan revolution is Socialist in orientation, what type of socialism are you referring to?

[Ortega] Socialism isn't going through a crisis, but rather a process of global self-criticism.

This is natural considering that the October Revolution, the first Socialist experience in the world, is 70 years old, and the capitalist experience that ws born with the bourgeois revolution is commemorating 200 years.

This process of self-criticism ratifies the view that we Sandinista revolutionaries had when we started off: Socialism isn't a finished product nor a prescription to be applied mechanically.

We defend the idea that Socialism should be applied and move forward according to the specific conditions of each society.

We launched an experiment starting with an analysis of our own roots, historical values, and socio-economic characteristics and of the Latin American and world geopolitical context in order to take the right steps to strengthen a revolutionary process that can take on a Socialist character.

We're trying to strengthen this tendency without having anyone tell us that to be Socialists we're obliged to do the same thing as the Soviets or the Chinese.

In our case, the process went through a first stage in which revolutionary power had to be defended.

The last 10 years have been a prolongation of the fight against the Somoza dictatorship.

Now we're up against US imperialism, but with the revolutionary forces in a better position, with power in the hands of the people.

Power is at stake in this confrontation.

Social and economic development are not the main priority, although, of course, we're not going to give up the gains made in these areas.

[Garcia] What has perestroika meant for Nicaragua?

[Ortega] The USSR is maintaining the same level of economic and military co-operation with us as before, and this has actually been increasing since Mikhail Gorbachev came to power.

He has responded to the degree that there have been shortfalls by others.

When Mexico stopped supplying us with petroleum in 1985, I took this up with Mr Gorbachev and the Soviet Union decided to provide us with 50 per cent of the fuel we needed.

We were able to cover the rest with co-operation from the German Democratic Republic, Cuba, Bulgaria, Czechoslovakia, Poland, and the Arab countries.

Of course, perestroika brought about new ways of doing things and that leads to a new type of relationship with Nicaragua, although the USSR has always understood that our country needs cooperation and can't have a normal trade relationship.

[Garcia] What is this new type of relationship?

[Ortega] They're doing things more through business operations. Before, the way things were done was fundamentally political; the political line was brought down and their companies implemented it.

Now, with the business-style organisation that they're promoting, new forms of co-operation and we couldn't see back then can be encouraged and explored, from company to company.

[Garcia] What has perestroyka meant for "Sandinismo" in theoretical terms?

[Ortega] "Sandinismo" really has its own dynamic. We put forward the ideas of a mixed economy system and political pluralism as the right way to creatively apply revolutionary theory to our reality.

The Nicaraguan process, while it's of Socialist orientation, maintains that in order to guarantee the revolution at this time, in order to generate wealth and distribute it, a definitive peace must be attained.

We are in a stage of overall defence of revolutionary power, calling on all social and economic sectors and opening economic and political space to forces that are even opposed to revolutionary power and could even become the government through elections.

[Garcia] Speaking of elections, will the opposition ever unite in order to contest them?

[Ortega] Three groups are shaping up.

One is to the extreme right and totally controlled by the US - the parties affiliated with UNO (United Nicaraguan Opposition).

Then we have other parties with more independent positions—the Social Christians, the Conservatives.

Finally, there are the parties with marked ultra-leftist positions.

The gamut is pretty representative of the thinking in Nicaragua and of the expressions of US policy.

The US is working to form this rightist coalition.

Its programme is aimed at reversing the gains of the revolution nd "legally" taking land away from the people who have benefited from the agrarian reform.

[Garcia] Can the danger of a "Panamisation" of the February elections be avoided?

[Ortega] In Nicaragua we can't talk about a "Panamisation" because the two situations are different.

Nicaragua and Panama agree on clear Latin Americanist positions such as the defence of sovereignty, but their social and economic projects and political proposals are different.

We carried out a deep-going Socialist-oriented revolution, and since then have put forward the ideas of a mixed economy, political pluralism, and non-alignment.

On Panama's agenda, the first point is the recovery of the canal and this is tied to the struggle for sovereignty.

The US doesn't have the room here that it had in Panama to do whatever it wants—although Washington tries to destabilise us. The State Department clearly defends the use of the CIA to promote the rightist forces politically and economically, and Congress has given in to those plans.

[Garcia] What have been the toughest international pressures, besides those from the US?

[Ortega] The most difficult have always come from the United States.

It applied serious pressure on the other Central American governments to isolate Nicaragua and to break relations in order to be able to declare war on the basis of a call for help from these governments.

The US put strong pressure on Honduras when Roberto Suazo Cordova was president and General Gustavo Alvarez was chief of the armed forces, on the Costa Rican government of Luis Alberto Monge, and on the government of El Salvador headed by Napoleon Duarte.

I believe Mr Duarte when he says that it was behind his back that the US military used El Salvador as a base for aggression.

In spite of everything, the United States didn't succeed in breaking the Central American nations' relationship with Nicaragua or having them declare us a threat to security.

In other words, they couldn't make Nicaragua a rerun of the Grenada experience, where the Caribbean countries asked for US intervention.

They used Argentina. Some in the Panamanian military helped out as well. They were active everywhere, in other continents. The Iran-Contragate scandal revealed that many governments were involved in these activities.

[Garcia] Is the Esquipulas (Central American) peace process a dead letter?

[Ortega] Esquipulas has its ups and downs.

A peak moment was when the agreement was signed in August 1987.

Nicaragua gave it new life at the meeting in Costa Rica in January 1988 and again, together with Honduras in February this year, when the plan to disband the Contras was accepted.

We are setting the date for the next meeting.

The scenario now includes a new government in El Salvador—questioned for its policies of violating human righths—but it's the government with which we're obliged to continue promoting the process.

The first point on the agenda is Contra disbandment and there is already an agreement by the foreign ministers to get the project moving.

El Salvador is talking about a symmetry between the Contras and the FMLN [Farabundo Marti National Liberation Front], but this isn't possible.

The meetings of the deputy foreign ministers made this clear. If El Salvador is going to act realistically, it must respect this agreement.

We are in favour of the search for a negotiated solution in El Salvador.

They have to find elements that will allow for a lessening of the distance between the positions of the government and the FMLN in order to strengthen the negotiating process.

That's the order of the day, and it includes Guatemala where the revolutionary movement is calling for negotiations.

The U.S. will try to harden the positions by using El Salvador so that the Contras aren't disbanded.

This is going to be a very sensitive point. The U.S. must face pressure to allow the central American governments to act on their own.

Ramirez Discusses Revolution, 1990 Elections

PA1707185489 Paris AFP in Spanish 1021 GMT 17 Jul 89

[Text] Managua, 17 Jul (AFP)—The ruling Sandinist National Liberation Front (FSLN) believes that, despite the economic crisis affecting Nicaragua, it will win the February 1990 elections "without tricks" and will "continue" the revolution started 10 years ago.

"The FSLN is not afraid of any opposition candidate," Nicaraguan Vice President Sergio Ramirez Mercado said in an interview with AFP during which he evaluated the work done by the government after the 19 July 1979 revolutionary victory that ended the 40 years of Somozist dictatorship.

The Nicaraguan vice president, who is also the author of many essays, stories, and novels, is hopeful that, economically, there are "better days ahead" for the country. Ramirez is also sure that the FSLN will "continue its revolutionary plan" by winning the 1990 elections.

"If, as a result of the economic crisis, the Nicaraguan people vote against the FSLN, we would lose the elections," Ramirez acknowledged after comparing the situation in Nicaragua with the situation in other countries like Argentina, Brazil, and Peru "where adjustment programs have failed because of the worldwide crisis."

"Here the crisis is worse, but unlike what has happened in other countries, where leaders have been forced to resign, the economic unrest in Nicaragua has not caused the people to become disenchanted with the Sandinist plan," Ramirez added.

In reviewing the 10 years of FSLN government, Ramirez stressed the changes made in land ownership as a result of the agrarian reform. He also asserted that the nationalization of the banks and foreign trade "helped establish the direction of the country's economy and proved that the state is capable of carrying out its own economic plan."

A prominent member of the Sandinist government since 1979, Ramirez ironically says he has been "in government as long as Margaret Thatcher has been in government in the UK," even though they assumed power by different means.

Ramirez, internationally considered a "welcome exception" in a mostly military government structure, denies having differences with President Daniel Ortega.

"We are both civilians, but our status is different," Ramirez said, adding that Ortega "is not an army general" but a "leader" who earned the honorary title of commander of the revolution "during the guerrilla struggle."

For this 47-year-old man, governing Nicaragua is not an easy task. "Had I been earning overtime, I would be a rich man today because around here we do not follow normal working hours," Ramirez added.

According to Ramirez, the "hardship" experienced by Nicaragua because of the United States "forces us to work under constant pressure and to improvise to find solutions to the international, diplomatic, military, and economic challenges we confront."

Despite his many duties, the vice president finds time to write. He admits, however, that he would like to set politics aside and use his time exclusively for writing.

"But in this life one cannot always do what one wants," Ramirez observed after saying he is willing to accept the vice presidential nomination in the upcoming elections "if President Ortega asks me."

Regarding the Sandinist form of government, Ramirez said there is a "consensus" over Ortega being the head of the government and the party.

Ramirez praised the fact that "the revolution has been able to confront 10 years of crisis and war with a united and solid directorate and party." He stressed that "fortunately, we settled our differences before we assumed power." Ramirez stressed that in the past 10 years "not even the slightest problem" has been experienced within the FSLN Directorate. Ramirez recalled that prior to the 1979 victory, the FSLN was divided into three groups.

The vice president believes that during the next decade Nicaragua will have a more "stable economic structure," and there will be no "major changes" in agrarian reform. He believes there will be a "reorganization in the way the land is being used" to promote more efficient production and to diversify exports.

Even though the government and private producers are at odds because of the recent expropriation of three farms owned by prominent coffee growers, Ramirez said the FSLN will continue "the mixed economy plan it has followed to date."

In conclusion, Ramirez said "if the right wins the elections, it will impose its own system: The banking and export sectors will be privatized, and land will be returned to its former owners."

Ramirez believes, however, that in the February elections the FSLN will "retain the votes it received in 1984" by appealing to the people's "conscience." "We are not going to win with tricks because we have the historic responsibility to rule for the next 6 years," he said.

LA PRENSA Publishes Opinion Poll on FSLN

PA2007030389 Managua LA PRENSA in Spanish 15 Jul 89 pp 1, 12

[Article by Cristiana Chamorro]

[Text] Mixed economy, political pluralism, and nonalignment are three postulates that the FSLN [Sandinist National Liberation Front] has repeatedly said over the past 10 years are the basic principles of the Sandinist revolution. The FSLN, however, has failed to convince a majority of Nicaraguans, who, according to a poll conducted by LA PRENSA, do not think the Sandinists have practiced any of these three so-called principles of the revolution that they initiated in 1979.

Only between 21 and 37 percent of those polled believe the FSLN. The poll results for each of the three postulates were negative, thus revealing the true nature of the revolutionary process. As opinions continue to be monitored, the gap between the FSLN's words and deeds grows, and the great deception becomes more apparent.

The greatest negative response was received when the people were asked whether they believed that Nicaragua was not aligned with either the Soviet Union or the United States. Only 21 percent think our country is nonaligned, while the rest believe that Nicaragua is aligned, though they did not specify with which country. They flatly rejected the FSLN's professed independence from the big powers.

Although we did not ask Nicaraguans directly with which of the two big powers the Sandinist government is aligned, it was interesting to see what happened when those polled were given a list of countries and asked whether they regarded these countries as friendly or unfriendly.

While 42 percent regard the United States as friendly, 62 percent consider the Soviet Union to be friendly. The percentage received by the Soviet Union in the poll is very similar to that of Cuba—63 percent regard Cuba as friendly.

More than 50 percent of those polled viewed Mexico, Venezuela, and the rest of Central America favorably, with the exception of Honduras and the United States, which received less than 41 percent.

Only 35 percent said they think a mixed economy exists in Nicaragua. In addition, only 37 percent think there is political pluralism. Some of the latter were surely thinking of the numerous political parties that currently are participating in the campaign for the 1990 elections.

Sovereignty and Dignity

When we asked the people about other achievements claimed by the FSLN, such as making Nicaragua a sovereign, independent state and giving the people more dignity in these 10 years of revolution, we found that the majority think these are also Sandinist fallacies. Only 36 percent believe in the sovereignty promoted by the Sandinists, and only 38 percent feel the current government has given the Nicaraguan people more dignity.

Democracy and Human Rights

In general, people do not believe that there is democracy in Nicaragua. As with previous questions, 35 percent of those polled, or about one-third of the total, believe that there is a democracy in Nicaragua in which human rights are respected.

It is interesting to note that one-third of the population, 32 percent, believe that laws are respected in Nicaragua. A majority of those polled do not believe that our country is a law-abiding state.

Agrarian Reform

Continuing with Sandinist milestones and myths, only when those polled were asked whether the agrarian reform program has been beneficial did the number of favorable respondents rise by 5 percent; 40 percent said the agrarian reform program has been beneficial while 50 percent said it has not been good for the country. However, the agrarian reform has not been sufficiently beneficial to sustain the Sandinist claim that in Nicaragua "laborers and peasants are in power." When asked whether this is true, 65 percent of the population disagreed. Only 28 percent, less than one-third, of those who had consistently supported the revolutionary myths in previous questions, supported this claim.

The Most Serious Problem

Leaving milestones aside, we decided to poll Nicaraguans on aspects of their daily lives. We polled them about various national problems. We asked them to mention Nicaragua's most serious problem.

Of those polled, 63 percent identified the economic situation as the most serious problem. If we add the percentages of those who mentioned other problems indirectly related to the economy, such as food shortages, 6 percent; devaluations, 1 percent; low wages, 1 percent; unemployment, 1 percent; and inflation, 4 percent, we can infer that about 80 percent of those polled believe that the economic situation is unbearable.

Contrary to FSLN explanations and excuses about the economic failures, only 6 percent believe that war is the main cause; 2 percent mentioned the economic blockade; and 3 percent blamed U.S. aggression for all the problems afflicting them. A comparison of these individual percentages, or the total of all of them and the 80 percent who believe that the economic situation is the most serious problem, clearly shows that the people are increasingly critical of the management of our economy and refuse to believe that factors outside Sandinism are the main causes of their problems.

Regarding this same topic, it is interesting to note that nearly all housewives polled, 28 percent of the total, pointed out that the economic situation is the country's most serious problem. This is usually true in most countries, because women are more susceptible to the effects of a bad economy because of their chores at home.

The 26 FSLN Promises and Reality

To what extent has the FSLN met the expectations of the people who supported it almost unanimously 10 years ago is a question that only Nicaraguans themselves can answer through a direct assessment of some of the 26 promises that the FSLN made to achieve power in 1978.

A small pamphlet entitled "Why the FSLN Is Fighting Along With Its People" contains those first 26 promises, which, according to those polled by LA PRENSA last month, Sandinism has failed to live up to.

The document that was circulated throughout the country in 1978—signed only by members of one of the three currents in the Sandinist Directorate, i.e., Daniel Ortega, Victor Tirado, and Humberto Ortega—said that, "Leading the people, the FSLN will begin to adopt the following measures:"

"Transportation will be decent and efficient, water and power will be available everywhere, the cost of living will not increase constantly, the people will have decent housing as a right, education will be available to all, our economy will be geared toward meeting the people's needs, organized crime will disappear forever, we will fight crime, we will enjoy democratic freedoms, we will maintain free relations with all countries," said 9 of the 26 promises contained in the FSLN document, which is today the subject of a scientific analysis by 1,220 Nicaraguans polled by LA PRENSA.

In all instances, the image of the government is negative. Less than a third of the population described the transportation service, housing, medical care, and food supply as good. Only 25 percent feel the government is in a position to provide jobs, just 25 percent think transportation is good, and only 29 percent feel medical care is good. In turn, 34 percent of persons polled said education is sound.

The water and power supply received a better rating because a third of the population said they were good. A total of 38 percent feel the water supply is sufficient, and 41 percent think the power supply is all right. Unlike in previous years, power has not been suspended thus far in 1989, so the impression is that there has been an improvement. If one views all results in light of the economic situation, which is the Nicaraguan people's main problem, one can conclude that less than a third of the population—a minority—is pleased with the government's performance in areas that have an impact on the Nicaraguan people's daily lives.

The goal was also to determine Nicaraguans' opinion about certain state institutions in view of their negative opinions about the services that the FSLN has provided after 10 years of government.

Government Institutions

Referring to the Supreme Court of Justice, Interior Ministry, State Security, and Army, the Supreme Court of Justice obtained a favorable vote from 30 percent of those polled, the Interior Ministry only 28 percent, State Security also 28 percent, and the Army 29 percent.

The FSLN, UNO [National Opposition Unity], and the Contras

Besides state institutions, we thought it was also advisable to poll people about the three groups that are attracting the most attention in Nicaragua's political arena: The FSLN, UNO, and the contras. Each person polled was asked to express his favorable or unfavorable opinion about each. The result: 48 percent of those polled have a favorable opinion of UNO, 30 percent (less than a third) of the FSLN, and only 19 percent of the armed counterrevolution.

[Text] It is interesting to note that the 30 percent who applaud the FSLN remain throughout the poll as the constant minority who favor Sandinism. Put differently, slightly less than one out of three Nicaraguans favor Sandinism; the rest would reject it in any election.

The 19 percent who favor the contras can only be compared to 22 percent who in another series of questions say that the SMO [obligatory military service] is good compared to 65 percent who say it is bad and that it is the worst thing the FSLN has done over the past 10 years. Nicaraguans, by not agreeing either with the contras or the SMO, are in fact saying that they reject the military option and are tired of war. This is in accordance with the responses given when people were asked for a list of things that could be done in Nicaragua to resolve our problems.

For example, the people were asked if they agreed that the contras (Nicaraguan resistance) should receive humanitarian (nonmilitary) aid.

The result was that 54 percent favored humanitarian aid, which could be interpreted as a desire by Nicaraguans to see those who are involved in the armed conflict receive a chance to rejoin civilian life as part of the electoral process that has begun in Nicaragua.

The Best and the Worst

We asked the people, after 10 years of Sandinist goverment, what is the best and what is the worst thing the FSLN has done in this decade.

Forty-seven percent of the people who were asked could not mention a single thing the FSLN had done in the past 10 years. Following those who said nothing had been done, 11 percent claimed the literacy campaign, and 8 percent named education as FSLN achievements. The sum of those two percentages indicates that only 19 percent of the people recognize these educational achievements.

Continuing down the line, 5 percent said that the best thing the FSLN has done is in the health field, 4 percent in housing, 6 percent the agrarian reform, and 4 percent giving land to the peasants. If one adds together giving land and the agrarian reform, one finds that following those who do not believe the FSLN has done anything worthwhile, and a small percentage who feel education was an FSLN achievement, the agrarian reform ranks third among the things the people feel the Sandinists have done well over the past 10 years.

The worst thing the FSLN did was to institute the obligatory military service. Twenty-nine percent of the population referred to the SMO as the worst thing the Sandinists have done, followed by 24 percent who criticized the economic situation. Second place was taken by the economic situation, bad administration of the economy, the lack of supplies, and 3 percent feel that the worst thing was pardoning the former Somozist guards.

Socialism or Capitalist Democracy

Finally, Nicaraguans were given two options to choose from regarding two ideal country models, to find out which government system most Nicaraguans want. The two alternatives proposed were to make Nicaragua either a socialist country or a capitalist democracy. The results indicated that one-third of the population—32 percent of Nicaraguans—want Nicaragua to become a socialist country, and 55 percent want Nicaragua to become a capitalist democracy.

These figures match the 30 percent electoral support the FSLN has been shown to have, which we will deal with in subsequent analyses of this poll's 206 questions.

From this first part, we conclude that 30 percent—slightly less than one-third of Nicarguans—are satisfied with the FSLN, with the government, and with what they have done.

Borge Comments on Poll

PA1607133589 Managua Radio Sandino in Spanish 1200 GMT 15 Jul 89

[Text] During a meeting yesterday in Managua's San Judas neighborhood with long-standing supporters, Interior Minister Commander Tomas Borge emphasized the destabilizing efforts of the Somozist Guard's newspaper [LA PRENSA]. Borge said that the Somozist Guard's newspaper is attempting to discredit the election process.

Borge stressed that this newspaper is publishing biased public opinion polls favoring alleged rightist candidates and which are intended to establish the conditions for discrediting the Sandinist National Liberation Front's [FSLN] large-scale victory at the elections.

Borge described this method as an old trick the CIA uses in countries such as Nicaragua, which do not support U.S. imperialist interests. Let us hear what Commander Tomas Borge has to say:

[Begin Borge recording] Those individuals are organizing a propaganda campaign to announce again and again and again that the Nicaraguan elections are fraudulent. They want the international public to hear that over and over again. They have started to conduct—what would you call them?—polls. Let us consider some of the tricks they are capable of playing.

The trick is this: Members of Nicaraguan rightist parties begin conducting a number of polls. Following the polls, these people then announce that most of the Nicaraguan people support the revolution. Anyone who does not carefully analyze those results will say: Oh, how honest these people are. Look, they are enemies of the revolution, and yet they say that the Nicaraguan people support the revolution.

A few months later, however, those people conduct another poll, and this time the results indicate that the FSLN's popularity has fallen off just a little. Then they conduct a third poll, and the results show that the FSLN and the rightist groups are equal in popularity. When the elections are about to be held, of course, those people conduct yet another poll showing that the FSLN is less popular than the Nicaraguan right wing.

It is obvious that if they conduct polls at El Carmen Church—attended by all those bourgeois, wealthy old women—the polls will show that most people are against the FSLN. [applause] It would be like my conducting a poll right here asking for which party you will vote. All of you would say that you will vote for the FSLN. Such a poll would not be accurate, and yet this is exactly the kind of poll the right wing is conducting.

Those individuals are deliberating conducting biased polls to generate political turmoil. They are a bunch of hypocritical pharisees. Their war is a battle of images. Their capability—from the point of view of their tricks, propaganda, and skill—is the largest and most powerful in the world. Those gentlemen have at their disposal radio and television networks, newspapers, magazines, advertising companies, and experts in conducting biased political polls.

Perhaps you are not aware of the enormous influence that television has on public opinion in the United States, Europe, and elsewhere. We wonder how is it possible that despite the huge campaign those people are waging abroad—a campaign which they would also like to set up here in Nicaragua—they still want to own television channels here, they still want to own three newspapers, and they still want to be the sole owners of all Nicaraguan radio stations. Why do they want to own the media? Because they want to have a permanent influence on public opinion through fascist propaganda.

[Words indistinct] those individuals are experts in the manipulation of public opinion, and they want to make people believe that conditions for holding fair elections do not exist. As a result of our visit to Europe, however, we have realized that the European and at least a large part of the U.S. people have learned to read between the lines.

The rightists repeatedly have claimed that the Nicaraguan elections will be fraudulent. Do you know what this means? They are in fact admitting that they know that they will be defeated by the FSLN in the elections. [end recording]

Ortega Receives East German Party Official

LD2007100789 East Berlin ADN International Service in German 0339 GMT 20 Jul 89

[Text] Managua (ADN)—Daniel Ortega, coordinator of the executive commission of the national leadership of the Sandinist National Liberation Front and president of the Republic of Nicaragua, yesterday received for a friendly talk in Managua, Hans-Joachim Boehme, member of the Socialist Unity Party of Germany [SED] Central Committee Politburo. The head of the GDR party and government delegation conveyed to Daniel Ortega a greetings address from Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, on the occasion of the 10th anniversary of the victory of the Sandinist popular revolution. Daniel Ortega expressed his gratitude for the congratulations on this historic anniversary in the short history of a free Nicaragua, and for the greetings conveyed, which he warmly reciprocated.

The two sides deemed that positive developments are being made in the international arena as a result of the foreign policy course of the socialist states and of the activities of governments and social forces throughout the world directed toward peace.

Hans-Joachim Boehme reported on the recent meeting of the Warsaw Pact Political Consultative Committee in Bucharest, on the 8th meeting of the SED Central Committee, and the purposeful implementation of the resolutions in preparation for the 12th SED Congress.

The two sides praised the high level of bilateral relations, which had developed widely and dynamically over the last 10 years.

The Nicaraguan president emphasized the deep gratitude and respect felt for the SED, the government and the people of the GDR for their long-standing solidarity and support in the political, economic, social and cultural-scientific spheres. The cooperation between the two countries constitutes an important contribution to the struggle for the formation of a sovereign and democratic Nicaragua. The regular discussions are a visible expression and evidence of the trust, firm friendship, and active solidarity linking the two parties and states.

Ortega Receives Iranian Government Official

LD2007081689 Tehran IRNA in English 0700 GMT 20 Jul 89

[Text] Tehran, July 20, IRNA—First Deputy Foreign Minister 'Ali Mohammad Besharati met President Daniel Ortega and members of the Nicaraguan Leadership Council Wednesday.

Besharati is currently in Managua to participate in ceremonies marking the 10th anniversary of the Nicaraguan revolution.

The Iranian official lauded Nicaraguan resistance during the past decade and expressed hope Nicaraguan campaigns against imperialism would continue.

President Ortega expressed his condolences on the death of the leader of the Islamic revolution, Imam Khomeyni.

The two sides hoped Tehran-Managua ties would further expand.

Bulgaria Donates Dredge for Bluefields Port

PA1407193089 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 13 Jul 89

[Summary] The Bulgarian Government has once again demonstrated its solidarity with Nicaragua by donating a dredge which will assist Nicaragua in carrying out various projects in the Bay of Bluefields and in the Escondido River. Bulgarian Ambassador to Nicaragua, Stiliyan Burkhanlarski made the symbolic delivery to Nicaraguan Vice Foreign Cooperation Minister Javier Bone.

UN Group Meets With Government Official

PA1607141789 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 13 Jul 89

[Passages within quotation marks recorded]

[Text] The UN delegation headed by Pakistani Isval Riza met with National Assembly President Commander Carlos Nunez Tellez this afternoon to explain its plans for monitoring the upcoming elections. Commander Nunez told them about matters still pending in the preparations for the upcoming elections.

[Riza] "The commander told us about what is being done, and we are very grateful to Commander Nunez for the information he gave us."

Commander Nunez charged that the rightist coalition UNO [National Opposition Unity] is violating the Electoral Law in its failure to fulfill requirements for organizing the coalition, which must be authorized by the National Council of Political Parties [CNPP].

[Nunez] "They will in the future increase these violations to continue serving as the mouthpiece for the U.S. Administration, which is already attempting to discredit the election process by claiming that we are organizing fraudulent elections."

Nunez said that the Sandinist National Liberation Front [FSLN] is willing to sit down and talk with all registered parties about candidates being sworn in during the period between 25 February 1990 and January 1991, political mobilizations, propaganda, and the use of the media.

[Nunez] "It might be possible to agree on several issues, and then the Supreme Electoral Council could be asked to include the parties in the decisionmaking process relating to various matters that must be established in accordance with the Electoral Law."

Nunez added that the FSLN has already chosen its candidates for the various offices and that President Ortega will request that the issue of creating the Central American parliament be raised during the upcoming presidents summit. Costa Rica has yet to ratify the creation of the parliament.

[Nunez, in progress] "...or release all the presidents from this responsibility and allow each country to organize its own election, even if Costa Rica does not wish to be a member of the Central American Parliament."

Revolution Commander Delivers Land Deeds

PA1707233889 Managua Radio Sandino in Spanish 1200 GMT 17 Jul 89

[Text] Commander of the Revolution Bayardo Arce Castano has delivered thousands of land title deeds in the Ariel Arce and Omar Torrijos neighborhoods.

Arce, who is also deputy coordinator of the Sandinist National Liberation Front [FSLN] national directorate, started his activities early in the morning by inaugurating the first (?departmental) and zone sports championships with Sports Minister Emmett Lang and Managua Mayor Carlos Carrion. The land title deeds will benefit 2,300 families. Early in the afternoon, Arce inaugurated the Julio Cesar Estrada community center and several works in Matiare. Arce discussed the coming elections and the contras' demobilization. This is his reply to a reporter who asked him about a rightist group's assertion that the FSLN is giving out the land title deeds for electoral propaganda purposes.

[Begin recording] [Arce] If such were the case, we would be propagandizing the elections. However, we are instead delivering land title deeds [words indistinct] and advancing the revolution in each of the neighborhoods. The opposition can see we are propagandizing, but working for the revolution. They are now concerned that [words indistinct].

[Reporter] [Words indistinct] the demobilization of the contras in Nicaragua?

[Arce] This is part of the Bush administration's policy. We know the current U.S. Administration would have liked to continue the criminal war policy of the Reagan administration. Because that was impossible, they have been trying to undermine our political situation and consider the possibility of manipulating U.S. public opinion to reactivate the war. The contras' demobilization is above all the Honduran president's commitment, because he made this proposal on his own during the Central American presidents meeting. [end recording]

Unemployment, Underemployment Figures Reported

PA1607040889 Managua Radio Sandino in Spanish 1200 GMT 15 Jul 89

[Summary] Transito Gomez, director general of the Employment and Salaries Office, has reported that the unemployment rate in Nicaragua is 4 percent, but the underemployment rate has risen. Between 30 and 35 percent of the labor force works only a few days each week, he said.

Two Contras Killed in Recent Attacks

PA1407214089 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 14 Jul 89

[Text] Two contras were killed in the latest attacks against the Sandinist People's Army [EPS]. A contra was killed in El Arenal region, Jinotega Department, and one AK-47 rifle and six grenades were seized. On 11 July, a contra chief known as Bienvenido was killed in the northern Atlantic Automous Region. During the attack, the EPS recovered one AK-45 rifle and one walkie-talkie.

Panama

OAS Special Mission Mandate Extended to 30 Aug

Cordovez: Panamanians Must Talk

PA1907193089 Madrid EFE in Spanish 1832 GMT 19 Jul 89

[Text] Washington, 19 Jul (EFE)—Ecuadoran Foreign Minister Diego Cordovez said today that the mediating commission appointed by the OAS to solve the Panamanian crisis will not ask for an extension of its mandate at the special OAS assembly this afternoon.

Cordovez, one of the three foreign ministers who make up the commission, told EFE: "We believe that we have essentially fulfilled our mission."

The other foreign ministers in the OAS commission are Mario Palencia and Sahadeo Basdeo of Guatemala and Trinidad and Tobago, respectively. They are accompanied by OAS Secretary General Joao Clemente Baena Soares, a Brazilian.

The Ecuadoran minister emphasized that "the dialogue must now take place among Panamanians." He expressed the belief that "now that we have been able to get them to sit down at the negotiating table, it is up to them to talk."

Cordovez made these comments at the entrance to the Colombian Embassy, where an "informal" meeting of the OAS member countries had been called to seek a formula of agreement that would make it possible for a resolution to be approved this afternoon at the OAS assembly.

Most of the ambassadors and foreign ministers who attended the meeting said that they would favor an extension of the mediating commission's mandate, although they said that no draft resolution in that regard has been prepared as yet.

The special OAS assembly has been officially scheduled for 1900 GMT.

Support Expressed for Mission

PA2007002789 Panama City Circuito RPC Television in Spanish 2355 GMT 19 Jul 89

[Text] This is a last-minute report: In Washington, the OAS today extended the mandate of the OAS mission that is studying the Panama case, and decided to meet again on 30 August to hear the results of efforts seeking to solve the serious Panama crisis.

Colombian Foreign Minister Julio Londono Paredes, president of the OAS consultative meeting, read a statement voicing OAS support for and recognition of the work done by the mission. The statement added that the groups in conflict thanked the OAS for the initiative, and therefore, it is requested that the mission assist the parties in the process of negotiation so that the parties will follow democratic mechanisms and there will be a transfer of power on 1 September 1989.

The agreement was accepted by the United States, but with certain reservations and conditions, it was reported.

Negotiations Assistance Continues

PA2007001089 Panama City Circuito RPC Television in Spanish 2334 GMT 19 Jul 89

[Text] The OAS foreign ministers' assembly today will ask the commission created by the organization to mediate in the Panamanian crisis to continue assisting in the negotiation process that has begun in Panama under the auspices of the OAS. The foreign ministers' stand will be included in a resolution that OAS Assembly President Julio Londono Paredes will present in a few minutes to the OAS plenary for approval.

The draft resolution was prepared this afternoon during an informal meeting of Latin American and U.S. foreign ministers at the Colombian Embassy in Washington. During that meeting, the delegations felt the OAS mediating commission complied with the mandate of proposing agreement formulas among the parties in conflict in Panama.

Meanwhile, Ecuadoran Foreign Minister Diego Cordovez—who presides over the OAS mission mediating the Panama crisis and who said when he arrived at the meeting that he was not going to request any extension, because now the dialogue must be held among Panamanians—said at the end of the session that he was willing to continue working toward this agreement, because the involved parties and all the Latin American colleagues have unanimously requested that he do so.

Ministers Call 4-Hour Recess

PA2007012589 Paris AFP in Spanish 0033 GMT 20 Jul 89

[Text] Washington, 19 Jul (AFP)—The meeting of foreign ministers of the 31 OAS member countries has called a recess until just before midnight tonight. The foreign ministers reviewed the Panamanian political crisis for 45 minutes before calling the recess.

The meeting had initially been scheduled for 1500 (1900 GMT), but because of intense negotiations between the United States and the Latin American countries, the session began 4 hours late.

In spite of this, apparently there were difficulties in reaching an agreement aimed at paving the way "for a transfer of power in Panama," because after meeting for 45 minutes, Assembly President Julio Londono, Colombia's foreign minister, unexpectedly announced a 4-hour recess. It was disclosed that Londono himself and Panamanian Foreign Minister Jorge Ritter talked by telephone tonight with General Manuel Antonio Noriega, whom the United States has unsuccessfully tried to remove from power.

The United States is trying to get the OAS to take firm diplomatic action to find an "urgent solution" to the Panamanian problem.

PRD Supports Dialogue, Rejects U.S. Aggression

PA1907183989 Panama City CRITICA in Spanish 19 Jul 89 p 18

["Text" of communique issued by the Democratic Revolutionary Party (PRD) National Directorate's Political Commission in Panama City on 18 July]

[Text] The PRD National Directorate's Political Commission has received and evaluated the report on the development of the national dialogue, and it wishes to reassert its position as a party:

First: We have stated our political resolve to hold a national dialogue with the intention of finding a negotiated solution to our political situation, which is characterized by a brutal economic, diplomatic, and military aggression against our country. This aggression has had disastrous socioeconomic consequences and, consequently, affects Panama's political situation.

We, therefore, state our satisfaction because our 30 May 1989 proposal to give the people a fair political solution after the annulment of the elections has been accepted.

Second: The PRD has reasserted that there will be no political solution without our participation and until all forms of aggression against our national sovereignty, independence, and the principles of self-determination and nonintervention in the domestic affairs of other states have been eliminated.

Third: Any political agreement must defend positions that are a matter of principle for our party, such as:

A) The full implementation of the Torrijos-Carter Treaties, which consist of a pledged program to complete our national independence.

B) Respect for the principle of nonintervention in our domestic affairs by another state or group of states.

C) Respect for the principle of self-determination and national sovereignty, which includes the enforcement of Panama's Constitution and laws.

D) A prompt solution to Panamanian society's urgent problems, which have been worsened by foreign aggression. We will continue to carry out our emergency plans and programs to improve food supplies, housing, health, and employment.

Likewise, we declare that the PRD will never surrender its duty and right to struggle for our national liberation; that we recognize Commander Manuel Antonio Noriega's leadership; and that, therefore, we reject our enemies' attempts to eliminate him, because this would represent the elimination of the Torrijist process.

Furthermore, we consider as positive the plan for a national reconstruction government that is being discussed by the General State Council as an alternate formula and as a strictly Panamanian solution. PRD Political Commission Panama City, 18 July 1989

Opposition: No Progress in Dialogue

PA1907222589 Buenos Aires REUTER in Spanish 2032 GMT 19 Jul 89

[Text] Washington, 19 Jul (REUTER)—Claiming no substantial progress has been made in the efforts to obtain the resignation of military leader Manuel Antonio Noriega, the Panamanian opposition today demanded strong support from the OAS.

The 31-nation hemispheric organization is currently holding its third special meeting on the Panama issue since the annulment of the 7 May presidential elections, which Noriega annulled following an overwhelming victory by the opposition.

Ricardo Arias Calderon, former opposition vice presidential candidate in the 7 May elections, is leading a Panamanian opposition delegation in Washington that is attempting to gain more support from the OAS.

"If the OAS does not adopt a stronger position, Noriega will mock the organization," Arias Calderon said in a telephone interview.

The OAS-sponsored dialogue on the future of Panama has not made any substantial progress, he said. Noriega has not given any signs that he is willing to resign or even to consider the issue, he added.

In a closed-door meeting prior to the OAS session, the foreign ministers of the region discussed extending the mandate of the mission that has supervised the beginning of the dialogue.

In the first emergency meeting on the Panama issue held on 17 May, the OAS recommended that a mission of four envoys be entrusted with the responsibility of promoting a transfer of power in Panama, according to the wishes of the Panamanian people. It also condemned Noriega for committing elections abuses.

The OAS envoys include OAS Secretary General Joao Baena Soares and the foreign ministers of Ecuador, Guatemala, and Trinidad and Tobago. They have traveled to Panama on three occasions in an effort to get the opposition, the military, and the Noriega-supported government to the negotiating table.

The first conversations between the three parties took place on Monday, 17 July.

Arias Calderon said, however, that Noriega agreed to the dialogue only so that the OAS would not adopt measures against his governmnet during the scheduled assembly.

Guillermo Cochez, secretary general of the Christian Democratic Party, said that the negotiator appointed by Noriega for the dialogue only agreed to discuss U.S. intervention in Panamanian domestic issues and refused to discuss the subject of the transfer of power.

The military delegates at the meeting did not speak at any time, he said.

Quoting Panamanian sources, Cochez said he had been told that Noriega announced before a group of business and civic leaders attending a Council of State meeting that he was planning to remain in power indefinitely, regardless of what the OAS did.

Column Says U.S. Against Political Solution

PA1607201789 Panama City LA REPUBLICA DOMINICAL in Spanish 16 Jul 89 p 6-A

["Vox Populi" column by Luis Restrepo: "A Strange Coincidence"]

[Text] A number of events have taken place simultaneously this week. In Cerro Azul, representatives of nine political parties met and, following deliberations that carefully noted the situation in the country, voted to take joint action to find Panamanian solutions to the problems that have resulted from U.S. aggression and that have cruelly affected large segments of the Panamanian population—most particularly the low-income groups.

In the opinion of political analysts, the meeting in Cerro Azul opened a range of possibilities which, if reasonably explored, could mark the beginning of an economic recovery and result in a patriotic unity against the foreign aggressor.

Photographs published by local newspapers and shown on television left no room for doubt. U.S. military men in fatigues arrived at the Apostolic Nuncio's office in military vehicles for a meeting that lasted several hours; the photographs and television shots did not show any women present.

The host had to resort to his vast experience as a diplomat and to use his imagination to assert that "it was a visit by people who are interested in seeing the Nuncio's offices, particularly the wives of U.S. military men stationed in Panama." They were not just plain servicemen, but four-star generals who went there to see the place and to eat pasta. It was a social event in which the guests were dressed in fatigues. The story about the pasta has been heard around the world and has been the topic of the day of international media commentators who like to tell tall tales.

In Caracas, Carlos Andres Perez, whom his fellow Venezuelans call "the little Bolivar," said that he is heading a Latin American crusade to put an end to General Manuel Noriega [commander in chief of the Panama Defense Forces]. Reports from the Venezuelan capital state that, inspired by the U.S. State Department through U.S. fugitive Robert Vesco, Perez plans "to create" an army that would be mainly composed of Venezuelans to invade Panama from U.S. Southern Command bases.

Perez is willing to play the game of his master, Bush, who wants to use Latin Americans to murder Panamanians. I heard a Venezuelan say that "Perez may lose his head in the attempt."

Once again, we in Panama are being forced to put up with Bush's envoys who operate under the guise of OAS diplomats. This time a local politician, who is one of Noriega's enemies, said that "the OAS delegation returned under orders from Bush and at the opposition's request to finish off Manuel Solis Palma [Panamanian minister in charge of the Presidency], Noriega, and the thousands of patriotic Panamanians who will not surrender."

At the same time, the obscure Michael Kosak—who was the man appointed by Reagan in May 1988 to come to Panama to persuade Gen Noriega to allow the United States to impose a new Panama Canal treaty allowing Yankee military bases to remain in our country forever—was brought to Panama through a U.S. military base. As far as we know, Kosak brought precise instructions for the opposition to work harder to create conditions favorable to the United States.

Any observer can see that the week's developments were carefully coordinated by the empire on the Potomac. The puppeteer pulled the strings and the puppets reacted instantly and in unison.

The OAS delegation; the little Bolivar; the pasta and the wine; the occupation of Veracruz by the commandos sent by General Marc Cisneros [commander of the U.S. Army South], who is just as sinister as the Spanish inquisitor Gonzalo Ximenez de Cisneros from Torrelaguna; the increasing inflexibility of political positions; and other signals that appeared last week indicate that no understanding is possible among Panamanians, because the White House does not want that to happen.

Alliance Said U.S. Puppet

PA1907231989 Panama City CRITICA in Spanish 19 Jul 89 p 2

[From the "Today in the World" column by Luis Manuel Rodriguez: "Vicious Circle"]

[Text] A country that has been intervened upon has to free itself from the ties that have rendered it prostrate and has to break the chains of economic oppression to be able to plan for the future. It seems to me that the proposal presented by COLINA [National Liberation Coalition] representative Carlos Duque Jaen [at the tripartite dialogue sponsored by the OAS] simply cannot be rejected. Generals [Frederick] Woerner and [Marc] Cisneros, who have implemented an outrageous psychological war, must leave their posts and the retained and frozen funds must be returned to the Panamanian Government. With such actions we can see the horizon and the main steps toward attaining a National Agreement. Of course, the ADOC [Civic Democratic Opposition Alliance] trio [former presidential slate formed by Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford] cannot demand the Panamanians' right to live in peace, much less mention that the funds that were arbitrarily stolen from the country be returned. They have precise instructions: Center the discussion on [Panama Armed Forces] Commander General [Manuel] Noriega as the primary cause of the problem. I always suspected that we would fall into the vicious circle of holding a dialogue with the Southern Command through their servile puppets, who are willing to accept any task. I have become more convinced that there are no differences in substance or principle as I observe the dialogue's development. The puppets simply continue to dance to the tune previously played by [U.S. Embassy Charge d'Affairs] John Maisto that now comes to them through the stars and awards of generals who have had no victories on the battlefield. Everything seems to indicate that ADOC will attain the objectives for which it was financed and managed by the United States—to block any solution among Panamanians. The White House will surely award the heroic ADOC trio Distinguished Services Medals and Endara will be given the presidency at a ceremony in Quarry Heights. [Former Panamanian President Eric] Tuturo Delvalle would not miss the lackeys' invitation to such an event.

U.S. Embassy Prepping Group

PA1807155889 Panama City CRITICA in Spanish 18 Jul 89 pp 1, 14

[Unattributed article: "Gringo Embassy Preps Ford for Dialogue"]

[Text] Guillermo "Billy" Ford, former second vice presidential candidate of the Civic Democratic Opposition Alliance (ADOC) in the 7 May elections, has met with Kris Nanda, political officer at the U.S. Embassy in Panama, to receive specific instructions on the position ADOC should take in the tripartite dialogue being sponsored by the OAS foreign ministers commission. The dialogue began on Sunday.

The U.S. Embassy official read to Billy Ford a document stating point by point, in full detail, what position the U.S. Embassy wants the Panamanian opposition to maintain in the dialogue to achieve the goal the United States has been pursuing ever since it began the destabilization of Panama over 2 years ago.

Nanda told Billy Ford in detail what the opposition should do and what it should present as basic demands from the outset in the talks with the other participants, made up of representatives of the National Liberation Coalition, the Executive Branch, and the Defense Forces.

This means that the so-called ADOC, which represents the most reactionary interests in the Christian Democratic Party, the Nationalist Liberal Republican Movement, and the Authentic Liberal Party, will merely reiterate the demands of the United States, which, through its embassy in Panama, has been manipulating the Panamanian opposition to achieve its goal of abrogating the Torrijos-Carter Treaties. The treaties call for the last American to leave Panamanian territory at noon on 31 December 1999.

CRITICA has confirmed that Ricardo Arias Calderon, former ADOC candidate for first vice president and president of the Christian Democratic Party, is going to the U.S. capital today to present a report on what ADOC has done in the tripartite dialogue.

Defending 'Gringos' Charged

PA1907042589 Panama City LA REPUBLICA in Spanish 18 Jul 89 pp 1,8

[Text] When the National Liberation Coalition [COLINA] representatives presented the proposal [at the tripartite dialogue sponsored by the OAS] for the immediate departure of Generals Marc Cisneros and Frederick Woerner and a reduction in the excessive number of troops assigned to the U.S. Southern Command, the ADOC [Civic Democratic Opposition Alliance] representatives immediately jumped to oppose the proposal.

Almost simultaneously, Guillermo Endara, Ricardo Arias Calderon and "Billy" [Guillermo] Ford [ADOC presidential slate for past elections] shouted a resonant "No" that was heard by all the delegates, who were surprised by ADOC's reaction.

Endara stammered that Panama should not tangle with the gringos because they have been friends of the Panamanian people and are the defenders of democracy in the region. He added that the United States has to maintain its soldiers in Panama to avoid attacks by rebel groups against countries that love freedom and its defender, the United States of America.

Likewise, Ricardo Arias Calderon and Guillermo Ford clearly showed their displeasure with the demands presented by COLINA and commented among themselves that demonstrations against the United States and the military forces it maintains in Panamanian territory should not be allowed.

Revolutionary Youths Picket U.S. Installation

PA2007010589 Panama City Televisora Nacional in Spanish 2300 GMT 19 Jul 89

[Text] Members of the People's Revolutionary Youth [JPR] this afternoon picketed the headquarters of the U.S. Southern Command's Naval Forces. Carrying nationalistic placards, they shouted anti-U.S. Army slogans, against Army South Commander General Marc Cisneros.

Numerous U.S. military photographers and cameramen took pictures and taped the demonstration.

Afterward, the JPR demonstrators headed for the mausoleum of General Omar Torrijos Herrera, where they laid a wreath and placed Panamanians flags.

Keynote speaker Olmedo Plata pointed out that today's nationalistic action was carried out to mark the 10th anniversary of Nicaragua's Sandinist revolution. Plata added that Gen Torrijos, whose thoughts are still alive in the minds of genuine nationalists, nearly 8 years after his death, was very closely related to the triumph of that revolution.

Opposition Leader Urges 'Quick Solution'

PA1907015589 Panama City Telemetro Television in Spanish 2300 GMT 18 Jul 89

[Statement by Guillermo Ford, former second vice presidential candidate of the Civic Democratic Opposition Alliance; date and place not given—recorded]

[Text] In order to reach a satisfactory agreement, the necessary steps prior to the transfer of power must be taken so that it will be done in an orderly fashion. This situation here has to pass from a dictatorship to the beginning of a genuine and pure democracy. We are the first ones to call respectfully on our counterparts, on our political adversaries, and the others who were represented in the dialogue so they will attend the dialogue with the best political willingness and determination. In this manner, they will be able to make decisions, such as we are empowered to do. Postponing the solution is postponing even further the serious crisis of the Panamanian people.

Any solution that does not correspond with the genuine will of the Panamanian people and does not respect moral and constitutional aspects would only serve as a mockery and as an abandonment of this noble people who have supported us with their votes. The mandate we have must be respected. The important thing is not finding a political arrangement for a certain person or certain groups, but giving a true solution to the deep problem of our people who are shouting for justice, freedom, and democracy.

We cannot restrict ourselves to specific dates, because there might be frustrations. It is very difficult to specify in how many days a dialogue should end. I will give you my very personal opinion; a quick solution must be achieved very soon, because our people will not allow us to establish a mechanism for dialogue which aims to postpone the solution of the problem. If there is a political willingness and particularly a patriotic willingness—which is what moves us in Civic Democratic Opposition Alliance—I have always said that in a very brief period of time we will be able to find the formulas that will produce the transfer of true power with full respect for the sovereign will of the Panamanian people.

Business Leader Notes Dialogue, Economy Impact

PA1907131289 Panama City Telemetro Television in Spanish 2300 GMT 18 Jul 89

[Text] If the national dialogue does not yield results, the economy will be negatively affected, Alfredo Arias Loredo [member of the Association of Panamanian Industrialists] said. He added that if the dialogue fails, the economy will deteriorate even further; the business sector and job security will be jeopardized.

[Begin recording] [Arias Loredo] Well, I believe that the beginning of the dialogue marked an important date, and has brought new hope to the private sector. If problems are solved and a negotiated political formula is found, private enterprise will regain confidence and economic recovery will begin. Therefore, the current juncture is very important. Should this dialogue fail, the national economy will deteriorate even further and many more jobs and the existence of many companies will be in danger. [Reporter] In its most recent survey—its fifth economic survey—the Chamber of Commerce presented a bleak outlook for the country. It even predicted a decrease in the GNP and per capita income. What is your opinion on this?

[Arias Loredo] That is correct. I have not seen the latest Chamber of Commerce survey. However, based on the information we have, the industrial sector has seriously deteriorated. As I have said, as long as the political situation is unclear and people lack confidence in the system, the country's economy will continue to deteriorate, which means that there will be more social problems, higher unemployment, and more companies will go bankrupt. So—as you have pointed out—the outlook is bleak.

[Reporter] One last question: Would you say that Panama's per capita income is already comparable to Haiti's and even lower than Nicaragua's?

[Arias Loredo] Well, in fact the drop in Panama's per capita income has been sharp. According to a recent SELA [Latin American Economic System] report, Panama is among the three countries experiencing the largest reductions in per capita income, along with Nicaragua and Haiti. Nicaragua has become the poorest country in Latin America. [end recording]

Defense Forces Announce Four Promotions

PA1907235189 Panama City Circuito RPC Television in Spanish 2311 GMT 19 Jul 89

[Text] The Panama Defense Forces [FDP] announced new promotions late this afternoon. During a promotion ceremony held at FDP headquarters, General Manuel Antonio Noriega pinned the new ranks on Captain Jose Agustin Pajaro, who was promoted to major, and on Majors Armando Palacios Gondola, Luis Antonio Cordoba, and Luis Del Cid, all of whom were promoted to lieutenant colonel.

Commander Noriega stressed the meritorious service of Maj Pajaro and Lt Col Luis del Cid, who entered the FDP as corporals and have obtained their promotions based on merit, professional improvement, loyalty, devotion, and love for the fatherland.

Career officer Lt Col Armando Palacios Gondola graduated from the Captain General Gerardo Barrios Military Academy in El Salvador, while Lt Col Luis Antonio Cordoba attended the Nicaraguan Military Academy. Both officers have 20 years of meritorious service with the FDP.

Noriega Addresses Youth Resistance Fronts

PA2007035989 Panama City Telemetro Television in Spanish 2300 GMT 19 Jul 89

[Report on statement by General Manuel Antonio Noriega, commander of the Panama Defense Forces (FDP), at a meeting with provincial youth resistance fronts on 19 July—place not given]

[Text] FDP commander General Manuel Antonio Noriega this afternoon, at a meeting with the country's youth resistance fronts, said that the nationalist and patriotic struggle is not a new or invented cause, because it has been alive in the hearts of our youths since the birth of the republic.

During the meeting, attended by youth leaders from all nine provinces; Housing Minister Ricardo Bermudez, representing the Executive Branch; and FDP staff members, Commander Noriega said that youths have defended the fatherland with dignity and have underscored their role in our republican history.

[Begin Noriega recording] As students, our youths have goals, but they lack nationalistic spirit. Schools have failed to instill it in them, because it is not in the best interest of the oligarchical forces that control their textbooks for our youths to become patriotic, nationalistic, and of the people.

I know that many of you have not given much thought to what you will be doing in 1999, where you will be or how old you will be. In 1999, you might wonder why we did did not fight 10 years ago, in 1989. [applause]

In 1999, you will wonder why 10 years ago, in 1989, we allowed the country's oligarchical forces to impose their foreign-made legacy and identity on the students. [applause]

I congratulate the organizers of this first meeting of the provincial youth resistance committees and the leaders of these groups for their dynamism, because with minimal to no support you have managed to maintain this system of communication, this meeting that does not follow the guidance of or depend on any political party, the FDP, or the government. It is the creation of youths who, 10 years from now in 1999, will either be patriots or be living in a colony. [end recording]

Party Official Congratulates Dignity Battalions

PA1907220189 Panama City MATUTINO in Spanish 19 Jul 89 p 18

[Letter from Democratic Revolutionary Party President Carlos A. Duque Jaen to all Dignity Battalion members—date and place not given]

[Text] To all Dignity Battalion members:

"When a people rebel, when people become determined to attain their liberation, there is no force that can stop them." Omar [Torrijos]

The fatherland rejoiced exuberantly when many of its sons, full of noble nationalist sentiments, went to Fort Clayton, as part of the "Ghandi-Panama" operation, to demand that the U.S. Southern Command fully respect Panama's sovereignty and dignity.

It is you, distinguished members of the Dignity Battalions, who provided this example of patriotism, not only to Panama, but to the whole world. The whole world has watched how a people react when they feel their nationalist honor blemished by the presence and arrogance of a foreign army acting like an invader. The will and firm self-determination of the Panamanian people will as a result of your action become more deeply rooted, while at the same time, the spirit of struggle in each and every one of you has been further strengthened.

In the name of the glorious Democratic Revolutionary Party's [PRD] National Executive Committee, its members, in my name, and with the most sincere satisfaction, we sincerely congratulate you and hope that this message serves to stimulate this great generation. The fatherland expects that, as a result of your sacrifices, your nationalist deeds, our country will attain full sovereignty after the year 2000.

Not a step backward! Total sovereignty!
[Signed] Carlos A. Duque Jaen, PRD President

Argentina

Government Suggests Direct Contact With UK

PY1907214289 Buenos Aires CLARIN in Spanish 18 Jul 89 p 12

[Excerpts] Argentina has proposed to Great Britain that a direct negotiation meeting between the two countries be held in Brasilia, in an attempt to break the deadlock over the Malvinas Islands conflict, official sources revealed to CLARIN. Up to now, the sources said, London has not given an official answer.[passage omitted]

According to the sources, Argentina is sounding out the British reaction to its idea in four ways:

1. Through a renewed effort by Itamaraty, the Brazilian Foreign Ministry, which Foreign Minister Domingo Cavallo set in motion a few days before he assumed office, during a trip to Brasilia. Since Argentina and Great Britain severed diplomatic relations in 1982, Brazil has been in charge of Argentine interests in London, and Switzerland has been in charge of British interests in Buenos Aires.

2. Through the U.S. Department of State, a good-offices channel to which Argentina resorted in November 1986 when the crisis over fishing rights broke in the South Atlantic. This was the channel most used by Alfonsin's government.

3. Through the nonofficial action of some international personalities. In this regard, the sources mentioned the current delegate of the UN Secretary General in Cyprus, Oscar Camilion, and the former U.S. Secretary of State, Henry Kissinger, who reportedly expressed interest in the problem when he attended the inauguration of President Carlos Menem in Buenos Aires.

4. Through the nonofficial mediation of Uruguayan President Julio Maria Sanguinetti, who got in touch with President Menem over the phone yesterday to report on the talks he held with Prime Minister Margaret Thatcher a few days ago in Europe. The Malvinas issue was obviously part of those talks.

The central idea of the Argentine proposal is to find a way to postpone the Argentine claim over sovereignty without damaging the claim, and to link the de jure cessation of hostilities in the wake of the 1982 war, including the suspension of economic sanctions adopted against Great Britain, to the lifting of the exclusion zone imposed by Great Britain around the disputed Archipelago.

The sources said that up to now the British have not given any concrete signal of acceptance or rejection of the Argentine idea, adding that most of the "signals" are now being given through the press.[passage omitted]

Menem To Visit Bolivia, Brazil; Denies Proposal

PY1907192889 Buenos Aires Domestic Service in Spanish 1600 GMT 19 Jul 89

[Text] President Menem has said that he will travel to Bolivia to attend the new Bolivian president's inauguration. Menem also plans to visit Brazil 22-23 August, where he will discuss basic issues of common interest for both countries, among them Brazilian-Argentine integration related to agreements signed during President Raul Alfonsin's administration.

Menem reiterated that neither the Argentine nor the British Government has made any proposal on the Malvinas issue.

Venezuela's Perez Calls Menem Over Fraud Case

PY1907185489 Buenos Aires TELAM in Spanish 1750 GMT 19 Jul 89

[Text] Buenos Aires, 19 Jul (TELAM)—President Carlos Menem has confirmed that yesterday he held a telephone conversation with Venezuelan President Carlos Andres Perez to discuss the situation presently affecting Economy Minister Nestor Rapanelli. The economy minister is under investigation in Venezuela for his alleged involvement in a fraud case.

In a statement to the press as he left his private residence to go to Government House, Menem said: "Venezuela President Carlos Andres Perez called me yesterday to express his annoyance over this situation. He assured me that things will be alright."

Menem reasserted that truth will prevail and added that "lies are short-lived." Menem also said that "we will have a definitive solution to this problem" shortly.

Acceleration of Military Trials Ordered

PY1907034689 Buenos Aires Domestic Service in Spanish 0200 GMT 19 Jul 89

[Text] The pace of the trials of military officers involved in recent military uprisings will be accelerated. Defense Minister Italo Luder has reported that he has given orders in this regard to Army Commander General Isidro Caceres.

Luder added that the trials resulting from the Holy Week, Monte Caceros, and Villa Martelli incidents will continue in the various military courts.

Luder said that the lack of discipline committed by chiefs, officers, and noncommissioned officers will be studied case by case to establish each defendant's degree of responsibility.

Interest Rates Rise; Austral Stable in Market

PY1907181189 Buenos Aires BUENOS AIRES HERALD in English 19 Jul 89 p 5

[Excerpt] (DYN)—Interest rates kept climbing for the third consecutive day yesterday to reach a 15 percent average monthly rate, while the black market dollar had a very quiet day, closing at 715 australs (buy) and 725 australs (sell).

Financial markets continued to be influenced by the government's policy, which began late last week to bring interest rates up after their virtual collapse during the first days of the Menem administration.

According to market observers, the government's economic authorities consider yesterday's average 15 percent interest rates as "acceptable."

Official banks tried to attract funds in view of the massive quantity of bonds and securities coming due yesterday, thus minimizing the speculative possibilities in the exchange rate market.

The official dollar remained at 650 australs, so the two percent dip in the black market tier closed the gap to 10.7 percent. [passage omitted]

Measures Considered To Attract Capital

PY1907182389 Buenos Aires BUENOS AIRES HERALD in English 19 Jul 89 p 5

[Text] Argentine banks will soon be allowed to receive deposits and advance loans in dollars at free interest rates in a bid to lure local capital home from Montevideo, Central Bank chairman Javier Gonzalez Fraga announced yesterday.

Argentine citizens have recently sent an estimated two billion dollars to the Uruguayan capital where money markets are much freer.

It is also hoped that the scheme will lure out a further seven billion dollars "from under the mattress." Accounts will be transferable but not anonymous.

The scheme was to have been announced last Friday but was interrupted by the death of Economy Minister Miguel Roig. But the new minister Nestor Rapanelli also approved the idea, which could thus be launched this week, the Central Bank president told the business daily Ambito Financiero. Five to 10 percent would be subject to encashment requirements.

The revival of dollar deposits was discussed yesterday at a meeting held by foreign debt secretary Alvaro Alsogaray, Economic Coordination Secretary Orlando Ferreres and Treasury Secretary Rodolfo Frigeri.

Bolivia

FBI Participation in Interrogations Denied

PY1907173689 La Paz PRESENCIA in Spanish 11 Jul 89 p 6

[Excerpt] [Passage omitted] Interior Under Secretary Walter Costas Badani yesterday denied that members of the U.S. Federal Bureau of Investigation (FBI) had participated in the interrogations of three members of the "Zarate Willka" organization.

At a news conference in San Pedro prison, three Zarate Willka members said that they had been pressured physically and psychologically by FBI agents during interrogation sessions in several places they had been brought to while blindfolded." [quotation mark as published]

It was reported that the three Zarate Willka members will be transferred to the new "Chonchocoro" prison because the police have recommended "maximum protection."

Costas said that "the U.S. cooperation we received in the case of the murder of the two Mormons—which led to the arresst of the members of the "Zarate Willka" group, which claims responsibility for the events that took place on 24 May—was only technical. The U.S. Government has loaned sophisticated equipment to our National Police for the questioning sessions." [passage omitted]

Government Bans Chemical Use on Coca Plantations

PY1907194789 La Paz EL DIARIO in Spanish 14 Jul 89 p 3

[Quotation marks as published]

[Text] On 13 July the government reiterated that it will not use chemicals and that it will respect the traditional use of coca leaves all over the country.

Anibal Aguilar Gomez [Alternate Development Under Secretary] made this announcement during a news conference. He said that "the government will respect human rights, the use of coca leaves, and the environment, adding that it seeks to create and to expand the markets for all crops grown in place of coca.

Aguilar criticized the Bolivian Labor Confederation and the Bolivian Peasant Workers Confederation, which oppose the eradication of coca plantations, adding that "the labor organizations have supported the program to eradicate coca plantations without the use of herbicides or violence. [sentence as published]

Minister Reports on Letter of Intent With IMF

PY1907202489 La Paz EL DIARIO in Spanish
13 Jul 89 p 1

[Text] Planning and Coordination Minister Fernando Romero has reported the conclusion of government negotiations with the IMF mission that today returned to Washington to report on the Bolivian economy.

He said that the negotiations with the IMF culminated in the signature of a letter of intent accompanied by an "economic policy document" containing the Bolivian economic plans for 1990.

The minister stated that this is very important because it envisages a 12 month period and it represents a firm government commitment to continue with the current guidelines to preserve stability and the economic development programs.

However, Romero clarified that the next government is entitled to request the visit of another IMF mission or to begin new negotiations.

Romero said that everything is being carried out coherently and with transparency, so as to avoid conflicts and to allow the next administration to find that the current policy is compatible with its own plans.

Minister Romero said that the economic teams of the political parties, one of which will assume power next 6 August, have talked with the IMF mission. They obtained a "clear perspective of what has been done, of the economic guidelines, and of the state of negotiations with the IMF," he added.

Romero said that the 3-year structural adjustment program was revised during the talks with the IMF. This means that once certain goals are achieved the IMF will make some automatic disbursements which will represent additional unconditioned resources, and a support for the balance of payments.

Romero thinks that the next IMF disbursement, which will be very important for the economic policy, could take place between August and October. This disbursement will be of $33 million.

Regarding the programs planned with the IMF, Romero said that ambitious growth rate goals have been set: 3.5 percent for 1989, and 4 or 4.5 percent for 1990. These are perfectly reasonable, he added.

Romero said he hoped that the national reserves level will recover by the end of the year, given the imbalances created in the first half of the year by the Argentine delay in paying for gas purchases.

The minister said he hoped that Argentina would normalize payments as of the second half of this year.

Romero said that an increase of reserves will allow the implementation of a more aggressive investment program.

In conclusion, he said that the fiscal deficit will have to be paid for with foreign financing, that is, with donations and international assistance. In this way it will decrease by 5 or 6 percent this year.

Judge Threatened in 'Zarate Willka' Case

PY1907205489 La Paz PRESENCIA in Spanish
13 Jul 89 p 1

[Text] Following anonymous telephone threats against members of his family and himself, Sixth Criminal Court Judge of La Paz, Nestor Loredo, yesterday disqualified himself from hearing the case initiated by the Attorney General's office against presumed members of the "Zarate Willka Armed Forces of Liberation" who are accused of "attempted murder and terrorism."

In remarks to the press, the judge reported that three anonymous telephone calls were made to his house on Tuesday afternoon and Wednesday morning. He was threatened with death and told that a bomb will be placed in his house should he fail to liberate the detainees.

Yesterday the judge issued a note disqualifying himself from the "Zarate Willka" case, which was submitted to his office last Monday, and asked the authorities to free him from the obligation of hearing this case for "fully justifiable" reasons.

The note has been sent to the Superior Court of Justice to study the case in a meeting of members, the judge stated.

Presidential Candidate Begins Hunger Strike

PY1907192389 La Paz PRESENCIA in Spanish
12 Jul 89 p 1

[Excerpt] Victor Hugo Cardenas, the presidential candidate of the Tupac Katari Revolutionary Liberation Movement (MRTKL), on 11 July joined the hunger strike that Socialist leader Roger Cortez began last week at the National Congress building. Cardenas is demanding that "the democratic principle" be restored and that his right as the MRTKL representative in Congress be recognized.

Upon beginning the hunger strike, Cardenas said that the Socialist Party-1 (PS-1) and the MRTKL "seek to preserve the democratic principles and to eliminate any threat to democracy."

The PS-1 and the MRTKL also seek a revision of the National Electoral Court resolutions preventing these parties from having representatives in the upcoming congress. [passage omitted]

Food Assistance Program Signed With Canada

PY1907213089 La Paz EL DIARIO in Spanish
11 Jul 89 p 5

[Excerpt] A ceremony was held yesterday in the Bolivian Foreign Ministry in which Bolivia and Canada signed a wheat supply agreement worth 3 million Canadian dollars (about $2.4 million) for the 1989-90 period.

The documents were signed by Foreign Minister Valentin Abecia and Edward Doe, representative of the Canadian Agency for International Cooperation.

The agreement is supplementary to the General Agreement for Technical Cooperation between Bolivia and Canada signed on 29 December 1977 for the supply of Canadian wheat as part of an assistance program. [passage omitted]

Chile

PCCh Comments on Land Occupation Issue

PY1907161989 Santiago Domestic Service
in Spanish 1030 GMT 19 Jul 89

[Text] The proscribed Communist Party of Chile [PCCh] has said that there is no political meaning in the occupation of houses in the district of La Pintana, that there is no connection between the occupation of the houses and Patricio Aylwin's electoral campaign, and that the virulent speeches made by [Party for Democracy President Ricardo] Lagos and [Chilean Bar Association President Alejandro] Hales at the Caupolican amphitheater are just based on truth.

PCCh leaders Manuel Riesco, Jaime Insunza, and Mireya Baltra, along with housing experts Olga Segovia and (Igor Rosenbaum), held a news conference to reject the accusations that the PCCh instigated the occupation of the properties.

Mireya Baltra said that the occupation was nonviolent and symbolic, and that its only purpose was to get the attention of the mayor of La Pintana District, who had refused to meet with the shantytown dwellers. Mireya Baltra objected to the police action, describing it as violent.

Jaime Insunza said that the Chileans should not be surprised by the occupations, because they also occurred during the Frei and Allende administrations. He said that there will be more occupations under a future democratic government if the housing problem remains unsolved.

[Begin Insunza recording] It has been said that the occupation is directly tied to the nomination of Patricio Aylwin. His nomination is just another factor. It happens that all of a sudden we are under the impression that we are living in a banama republic.

In his speech at the Caupolican amphitheater, Mr Ricardo Lagos tells a couple of truths that are known nationwide: that Mr Buchi was directly or indirectly involved in human rights violations and that Mr Jarpa also was directly or indirectly involved in human rights violations.

It happens that this is an insult nowadays; that is, to tell the truth in Chile is to insult someone. [end recording]

Mireya Baltra directly accused an engineer whom she identified as Emilio Serne of ordering the burning of the household goods of the people involved in the land occupation.

Chilean Socialist Party Issues Declaration

PY1907114989 Santiago CAUCE in Spanish
10-16 Jul 89 pp 20-25

[Document entitled "Political Vote of the 25th Congress of the Chilean Socialist Party" released in June 1989 at the seaside resort Costa Azul, Chile—Roman numerals as published]

[Text] We are at a crucial moment of Chile's history. The victory obtained by the democratic forces on 5 October 1988 marked the beginning of a process that will lead to the recovery of democracy and to the necessary efforts to develop the country and establish a more modern and equitable society with broader political and social participation.

That victory, which we consider a victory for Chile, its people, and its future, was the result of coalition and cooperation among various political parties, social organizations, and civilian groups that aspired to oust the dictatorship and prevent its self-perpetuation.

The stage mounted to consecrate the dictator became the dictatorship's bier. It was not an easy task. In addition to the obstacles imposed by the regime and the difficulties in overcoming fear and coersion, there was the initial incomprehension of many who did not believe that a victory was possible through those means.

We Socialists, who were among the first to propose registering for the elections and confronting the dictatorship during the plebiscite, have good reason to feel proud of our contribution.

The 25th Congress ratifies the party's line of democratic political struggle and the struggle of masses and agrees to follow the same line during the coming period. The December electoral-campaign is decisive for the future of democracy. It is a mistake to believe that clean elections for president and congressmen and victory are guaranteed. Only unity, civilian mobilization, and vigilance will make victory possible.

The 5 October 1988 victory deeply changed the national political situation. Democratic awareness among all sectors of the society increased. The regime's bases have weakened, and it is now isolated and disoriented. The rightist forces have started a process—still confusing and undefined—to reorganize themselves, and some members of the right are beginning to stray from the regime.

The democrats' unity made progress possible. The rainbow we used as a symbol and that we actualized with the call for a no-vote and later on with the Coalition of Parties for Democracy [CPPD] revealed that the defeat of the dictatorship and the strengthening of democracy are possible when everybody cooperates.

The CPPD enjoys a vast and diversified national support and represents a truly legitimate democracy. Its united image has strengthened throughout the country, and its strategy to conquer the great majority for a peaceful, gradual, but decisive transit toward democracy is fully supported by the people. Its impact on society has prevented new setbacks and has neutralized the obstinate groups that want to go back in history and ignore the judgement of the great majorities.

The 25th Congress reasserts the desire to maintain and strengthen the CPPD as the most effective tool to definitely defeat the dictatorship in the December elections and to install a democratic government in March 1990.

The constitutional amendment is another achievement of the democratic forces. During the political campaign for a plebiscite we repeatedly stated that, once we had won, we would seek negotiations to make a peaceful and orderly transition possible. The constitutional amendment announced on 15 June is a result of this campaign. It will result in significant achievements such as respect for human rights, elimination of bans on ideologies, modification of the composition and attributions of the National Security Council, reduction of the government-appointed senators' importance, modification of the procedures for constitutional amendments, permission for labor union leaders to engage in political activities, and establishment of a 4-year presidential term.

These were not our only goals. Many provisions of the constitution continue to be antidemocratic, and we intend to amend them. However, the constitutional amendments represent an important step forward that contributes to the stability of the transition process; they represent a defeat for Augusto Pinochet and all the intransigent sectors that maintained that there was no room for constitutional amendments. But the Socialists will vote for the amendments in the 30 July plebiscite. The party, and especially those elected to hold seats in Congress in December, will struggle above all for a truly democratic institutional system.

Summing up, the democratic sectors have speeded up the social change. The possibilities for exercising freedom, which the people have conquered in order to express their will and exercise their rights, have been multiplied. The bans, restrictions, and control measures imposed by the government are beginning to crumble. The entire country wants an accord.

However, a government which has not been elected by the people remains in power, and so does the institutional system, which has been created to silence the majority sectors and which has affected vast sectors of society, especially the youth and the workers. The organizations and the actions which have been used throughout these years to repress the opposition—and which account for a long list of human rights violations—are still in force. The universities remain intervened, unions are unable to organize themselves and exercise their rights, social participation at home and abroad is still curtailed, the television remains under sectarian influence, and the elections, through which the majorities express themselves, remain distorted.

In addition, a deeply unfair socioeconomic policy remains in force. This policy favors a minority sector which is wealthier and which has used its power, its resources, and its organization to put the state at its own service whenever its interest has been jeopardized or whenever its income has dropped. This way, the practice of transferring such income drops to society remains in force, while the benefits go exclusively to this minority sector. This policy has harmed solidarity among Chileans, because the efforts made by the entire nation have not been used to favor everyone.

A new government, which should be the genuine representative of a vast majority of Chileans, should assume power in order to resolutely make progress toward democracy, to replace those institutions, and to eliminate those unfair and discriminatory practices and policies.

The immediate objective of democrats and of Socialists is to win the elections in December and to install a government of national unity that may be supported by all the CPPD parties. To this end, an accord should be reached on three major issues: a single presidential candidate, an accord in Congress, and a common program of government. This accord has practically been accomplished.

A few days ago we, the Socialists proclaimed Patricio Aylwin as the leader who can receive the support—on the basis of a consensus—of all CPPD parties and all opposition groups and sectors. This was a noticeable, decisive, and historically significant step.

We maintain that this gesture symbolizes a major event, which has been marked by the reconciliation of sectors that are broadly representative of the Chilean poeple. This might be the most valuable accomplishment of a long and painful joint struggle for the restoration of democracy and for the construction of a new, sound, and stable foundation for the democracy which we hope to build.

In a word, we have worked for Chile and for the future of Chile, for its people and for its democracy. The Socialist Party wishes to play an active guiding role ruling the democratic transition period, participating with its men and women in the administration, in Congress, in the municipal governments, and in civil organizations.

Within the CPPD, we, the Socialists feel that we have special ties of affinity and values with the Party for Democracy, which was created at a crucial moment in the struggle for democracy. We are among those who created this party, which was founded by thousands and thousands of Chileans who—led by their desire to reject the continuation of Pinochet in power—have expressed their will to create an efficient and pluralistic instrument to promote political mobilization. When many people hesitated about the forms of struggle that had to be adopted in order to make progress in the path toward democracy, we the Socialists—along with thousands of men and women who shared a common devotion for democracy—found that the Party for Democracy was the appropriate instrument with which to meet the challenge of that moment. The challenge was to participate in the referendum, to encourage the people to vote, to make society become aware of democracy, to promote hope in order to counter fear and self-defeating attitudes, and to control the electoral process.

We hail and support the Party for Democracy, which will lend its invaluable support in the future struggle for the consolidation of democracy. This party will help to pave the way for the necessary transformation of the political situation, thus allowing the progressive sectors to strengthen democracy and expand the benefits of development to all the sectors of the population.

II. [No roman numeral I as published] We socialists will be part of the first democratic government that will be elected by the people on 14 December 1989. We will take part in it with the same loyalty and generosity with which we have participated in the agreements and in the tasks of the CPPD before and after 5 October 1988 [plebiscite]. We will do so with our popular support, our technicians, professionals, and leaders, with our ideas and ideals; we will thus close a lengthy period that began on 11 September 1973, when the democratic process was interrupted.

Renewing ourselves in the struggle, and led by the deepest democratic conviction, today we proudly, calmly, and firmly raise our banners against the long, shameful, and terrible repression we Socialists have endured over these past few years together with other leftist and progressive forces and with the thousands of Chileans who have never given up their ideas.

The government that will result from the democratic mobilization process that will end on 14 December 1989 has clear objectives but is limited in the time set by the forces of coalition. We Socialists now vow to honor these objectives:

The democratization of the institutional system and of the country's political sector, to return to the people their sovereignty, to the citizens the full exercize of their rights, and to all the freedom to express themselves, to participate, to assume their responsibilities, and to enjoy the benefits of national development.

We hope for a full, pluralistic, and participatory democracy where the rights of all will be respected; where freedom of expression and of ideas and public debate will be the basis of political life, in addition to the free functioning of the political parties, of the people's organizations, and of the civilian groups; where the people's desire will be epxressed periodically, giving room to an effective and peaceful alternation of power; where the majority will govern and the minority groups will be respected, where they will fully exercize their rights, will make opposition and will propose to the people their alternatives to become a government as well.

We pledge ourselves to the necessary reforms of the state institutions until an effective democratization of these institutions is achieved. The branches of government must be separated and be controlled reciprocally, having mechanisms that will hold them responsible before society. The judicial branch must be independent and capable of administering justice for the benefit to all, and of protecting the basic rights of the people. The legislative branch must be fully representative so that all political forces, without exception, will be represented in accordance with their true electoral force. The executive branch, particularly the Presidency, must recover its dignity and must have the means to shoulder the high responsibility of conducting the country, subjected to the necessary controls provided for in the democratic order. The Armed Forces must resume their professional functions within the democratic order, to which their members have sworn to serve. The people's sovereignty and the effectiveness of republican institutions are the best guarantees of this democratic order.

To guarantee national development by means of a set of policies that will make economic growth compatible with increasingly broader levels of social justice and common wellbeing, and which will consolidate the basis of a modern society willing to joint the great productive transformation that is beginning to blossom in all sectors of the world economy.

We Socialists are aware that the democratic government will inherit a situation of great social imbalances, restriction of resources, intensive international competition, and profound changes in the patterns of the organization of world economy. Particularly, this government will receive an inheritance from a country which has contracted a serious and large social debt to the poorest sectors; it will be limited by a bulky foreign debt which uses resources and energy to pay for a past that has only benefited a few; a country which has been modernized in an artificial manner and is, therefore, vulnerable, because it is deprived of an industrial and technological base, which today is more than ever necessary in order to maintain the development and to open a path to other foreign markets; a society with important sectors of the population that lack a productive employment, especially among the youth; a country with investment levels which have been scarce and continuously below those required to guarantee a sustained growth and to improve the income and living conditions of the population.

The future government will have to move within this framework of complex factors which have been systematically silenced or distorted by the propaganda apparatus and the regime's illusionism. The future government will only be able to face these factors, as we socialists have reiterated, through a socio-economic policy that will appeal to the solidarity of the Chileans, that will generate in the medium term a true democratic discipline, and that will reconcile the efforts of the state, the workers, and the businessmen.

To promise short-term, miraculous solutions to the economic and social situation of the majority of the people would be irresponsible. Development requires a continuous task of constant effort and sustained policies. However, the Socialists aspire to demonstrate—and we are sure it is possible—that democracy is not just the conquest of freedoms and the political exercise of popular sovereignty, but that it should also entail a policy in favor of the majority of the people, and the most needy in particular; that it can be effective and yield results in spreading the benefits obtained through the common effort.

To attain those objectives, the state should assume an active role in planning the national development. No society has been able to pull itself out of underdevelopment, to modernize itself, to fairly distribute wealth, and to create the conditions to take part in the productive transformations that are taking place in the world, without reaching a national consensus on its great objectives, using state instruments to protect the interests of the community and to ensure the consistency of the enormous effort that must be made.

Furthermore, it will be required that all productive sectors of society can be guaranteed the stability of their rights; that they can coordinate efforts among themselves and with the state and that they can operate within a context of clear and fixed rules, which the government has the primary responsibility to maintain.

The Socialists will continue to commit all our efforts so that the workers can have their labor and organizational rights reestablished, their voice heard, and their initiatives for participation recognized, so as to restore their central role in the nation's development. This presupposes giving priority to the creation of adequately remunerated productive jobs; to reestablish labor rights, especially the right to collective negotiation and union organization; to guarantee universal access to health care, education, training, housing, and leisure; and to reestablish social security services.

Priority should also be given to strengthening the civilian society, the popular organizations, and the social movements in all areas, from that of education to that of health, from that of local power to that of regional power.

The strengthening of the civilian society should also be envisaged within the effective democratization of the local powers and a broad freedom of initiative for individuals and grass-roots and intermediate organizations, which together represent the true backbone of democracy and provide democracy with vitality and the capacity to innovate and renew itself. We will propose a constitutional reform to allow elections for mayors and municipal councilmen next year.

Furthermore, we socialists pledge our most resolute effort to seek and to implement new ways for the access of the youth to jobs, training, and culture, thus to leave behind the long night of neglect of hundreds of thousands of youngsters who have had their hopes frustrated and who have faced a future without horizons.

We recognize the contributions that women have made to the democratic struggle, and we will endeavor to broaden their rights so that they can attain an effective legal and practical equality in all areas of social life between Chileans regardless of sex, which continues to be one of the most resistant reasons for discrimination and hierarchization in society.

4. [As published] We will do as much as we can so that the Chilean society can tackle the problems left behind by the dictatorship's repression and war policies. To this effect, as the country's democrats, men and women, as well as the Catholic Church have reiterated that it is indispensable to establish the truth and to guarantee justice so that the air we breath can be cleaned, the tragedy be ended, and the pain and mourning of those who have suffered at the hands of the dictatorship be repaired.

We Socialists will never demagogically prolong the terrible experience that both the people and many of our fellow Socialists have lived. We will not fan rancor nor will we preach resentment and vengeance. We will not do justice with our own hands nor will we demand that justice be taken out of the Courts, to which the democratic order delegates the authority to judge under the appropriate rules. We will calmly persevere in our demand that justice be done and the truth be known.

Looking toward the 21st century, the Socialists attach high priority to cultural, educational, and scientific development. Attempts were made in these past years to bring about modernization that is not in line with the educational and cultural demands of a modernization process. We will try to reverse this situation so that education and culture can become a vital concern of society, the state, and the government. In fact, without good quality modern education that is accessible to everyone, without discrimination, at the intermediate and higher levels merely based on talent and inclination, the country will forever remain behind. Society has to make a concerted and intense effort to build its own foundations of knowledge by investing in education and by broadening the opportunities of participation in cultural improvement. This task calls for a commitment from all sectors, because it cannot be exclusively carried out by the state.

To lead the country toward an active presence in the world, particularly in Latin America, we must develop all our capacity for economic competition and integration, for political relationships and solidarity, and for projection into all areas of culture. Our so-called "opening to the outside" has been unilateral and dependent on transnational economic circuits, as the government by its own actions became a negative example in the world. The country has lost influence in international forums, as well as in the areas of culture, cooperation, and international activities.

In its military, security, cultural, and cooperative relations with a politically and economically reorganized world, the authoritarian regime has remained hostage to the past, obsessed with its own ghosts and isolated in its warlike rhetoric, which kept it from seeing the changes taking place in the world.

It will behoove the new democratic government to initiate Chile's full integration into that world through a process of transformation—eliminating outmoded sectarianism from its foreign policy and opening itself to the world in an effective manner. Such an opening is necessary for our own economic development and for a mature relationship with our neighboring countries, the rest of Latin America, and other countries of the world.

On our own, the Socialists will place greater emphasis on building a new relation with Latin America. We will seek points of agreement for strengthening democracy, for developing our regional capacity for economic and technological growth, for developing our cultural community, and for ensuring conditions for regional peace and cooperation.

Likewise, we Socialists will seek an effective and pragmatic review of the guidelines for our relations with the United States and Europe, stressing our national autonomy and identity in our dialogue and interaction with them, and taking advantage of any opportunity for contact and cooperation to boost our own development.

We socialists are aware of the fact that international relations with the more developed countries are influenced by neocolonialist and imperialist practices. We are aware of our constraints, vulnerability, and dependence, which are worsened by the development model, the foreign debt, and the isolation brought about by the military government's policies. We take this situation as a challenge that does not call for rhetoric, but for resolute action.

The Socialist Party will promote a foreign policy for Chile that will be directed at restoring our country's presence and prestige in the community of nations and at developing political and economic relations with all nations of the world. On the economic front, while accepting an increasing opening to foreign trade and financing, Chile must exert itself to reduce the vulnerability of its foreign sector, to renegotiate its foreign debt in terms that are not at odds with the country's development, to attract foreign investments that are truly productive, and to improve its technical and financial capacity on the basis of the broad possibilities for cooperation made available by the return to democracy.

III. The 25th Congress of the Socialist Party supports the policy followed by the party in its struggle to open a political and social avenue leading to democracy; it reaffirms the party decision to work hard for the victory of the opposition in the coming December presidential election; and it commits the party's active, loyal, and characteristic participation in the democratic government, whose tasks we will assume in accordance with the aforementioned principles. We affirm at this stage the policy that made possible a rapprochement among the country's progressive and democratic forces, a policy that served as foundation for the broadest coalition of forces in support of democracy, justice, and development in the country. This is the policy that ensured the opposition's victory at the 5 October 1988 plebiscite, and the continuation of this policy should also ensure our victory next December. The opposition will then, be able to govern jointly during the most complex stage of the transition to democracy, when its institutional bases must be consolidated.

Our commitment to democracy is steadfast; it is part of our own socialist identity. We pledge to be now and in the future, an active and permanent element in the broadest constitutional array of all political, social, and cultural forces supporting democracy. Only on the basis of such an agreement can democracy exist, deepen, and expand for the benefit of the majority of the people.

In the future we Socialists will work within this framework of basic democratic loyalty. As soon as the consolidation of democratic practices and institutions is achieved, we will offer to the country our own proposals for government, development, and changes in society. To achieve this, we hope to lead and share in a broad bloc—based on converging ideas and proposals—for changes that will group most of the forces and wills committed to the idea of strengthening democracy.

We will be able to build this bloc only if we Socialists persist in the ambitious political and cultural undertaking we began after 1973, which consists of reorganizing the traditional political sector that has separated the majority groups in favor of change and has paralyzed the growth of the left.

The political-cultural spectrum around which the political parties develop is not unchangeable, nor is it, in a democracy, an exclusive or excluding factor. On the contrary, it is the result of the ideological and political struggles that take place within a society; it is the result of changing ideas and their expression within social movements and organizations.

We Socialists have been and will be a force of the left, because of our ideals and the values we proclaim. We are a force of the left because of the social sectors we support and because of our establishment as a renewing element of national policy, broadly rooted in the people, and because of a consequent thrust toward a modern system. We own a revolutionary tradition, a commitment to the poor, a critical view of the establishment, and a great desire to strengthen liberty and to build growing forms of equity. We have a culture made up of several trends, enriched during this period by the attraction of the renewal of socialism, which is now becoming a world phenomenon. Our culture is politically and intellectually of the left. It is nurtured by a history that begins with the first Socialist thinkers, acquires maturity and method in the thoughts of Karl Marx, and is critically enriched by the theoretical contributions and struggles of socialist movements during the past century. We have managed to survive up to now by meeting the challenges of the real changes—not insignificant—taking place because of the very ideas and policies of socialism.

During these past years the Socialists have broadened the traditional limits establishing space for the leftists and their relationship with the center of the political spectrum. We have thus broken the rigid stagnation that separated these sectors, both of which were seeking a social change, and made the current coalition of democratic forces possible.

Based on these conditions, we will in the future raise our banners to summon vast sectors that share our desire for change and express the interests of the great majority; forces that necessarily will include members of the leftist and center sectors in an organization that only time and our persevering efforts will complete.

We Socialists do not seek exclusive hegemony nor a role as a secondary force, historically tied to a leftist group or an alliance with the traditional representatives of the center. We are willing to cooperate with everyone in order to restore and reinforce democracy.

The need to redefine the content and scope of the leftist sector's space has grown in these past years due to the mistaken policy of the Communist Party, whose strategy has confused sectors of society and whose sporadic deviations have caused difficulties in the opposition's leadership. The Communists, harshly repressed by the dictatorship in the same way as the Socialists, have reviewed their own history quite differently than we have. They have reduced the prospects of the antidictatorial struggle to a matter of "forms of struggle" and means of action, not taking into account the real conditions in which the political confrontation develops and abandoning their traditional line of analyzing democratic achievements. This has also been affected by the lack of renewal in Chilean communism and the difficulties it has experienced due to its own initiatives to struggle, promoted beyond the framework of the opposition and against the aspirations and practices that the people were willing to assume. However, we will always be willing to engage in dialogue and to reach an understanding, as long as the Communist Party revises the conceptions that have prevailed within the party over the past few years. This may be possible with the changes that true socialism has started to experience throughut the rest of the world.

As for us, we socialists have confidence in our ideals and ideas, in our values and proposals, and in our ability to become a majority in democracy and offer an alternative for governing the country.

We want to represent the social forces of manual and intellectual labor; the vast strata, groups, and classes that help to generate wealth, knowledge, and culture; the women who, despite the fact that they make up half of the population of Chile, endure unfair discrimination; and the Chilean men and women who have no access to this wealth, knowledge, and culture because the current system is unfair. We want to represent the peple of Chile. We are a national, modern, popular party. Our desire to make changes, on the eve of the 21st century, is tempered by our full awareness of the complexity of contemporary society and its problems and management. The revolutionary nature of Socialist policies is based on their ability to transform change-seeking ideals into effective programs and proposals for action within the framework of democracy. Ideals that cannot grow or that cannot be implemented unless force is employed or unless democracy is destroyed are a poor parody of Socialist aspirations.

We Socialists are the standard-bearers of a pluralistic and free culture that is based on a variety of progressive traditions and lines of thought. Our ideology does not resort to dogmas, nor is it founded on an inflexible interpretation of the laws of history. The Socialist Party draws its inspiration from Marxism as a method for analyzing and interpreting the status quo, a method improved and honed by the lessons gleaned from constant social changes. Thus, there is room in it for other social lines of Christian, humanist, and rationalist thought. Our socialism profits from these contributions, which are essential components of national culture.

These viewponts and concepts, which come together in a single proposal for social emancipation, help put together a single coherent political program for social change. The objectives of this program respond to the needs of society.

This congress epitomizes and reinvigorates the socialist ideology in keeping with the party's democratic tradition. We played an essential role in Chile's democratic development until 1973, and we are a vital component of the country's democratic culture. We have been at the front line of the democratic struggle during the dictatorship and we are now participating with all our strength in the CPPD, through which we will gain access to power. We learned the greatest leassons of Chilean socialism when, under President Salvador Allende, we sought to merge socialism and democracy. At a very early stage our party criticized bureaucratic socialism and the "Stalinist" phenomenon.

Thus, our ideas and proposals are the result of an in-depth and broad process of renewing the Socialist ideology in Chile, a process that has prompted us, more than any other party, to conduct a critical review of our history, limitations, and deviations from our own traditions that at one point or another have led us to take dogmatic positions alien to the prevailing situation and to the feelings of the large sectors of population that we want to represent and epitomize. Our return to party traditions implies a rejection of Leninism because it is a dogmatic, authoritarian, and regressive approach that is not in keeping with the current state of evolution of socialism in the world or with the democratic ideals of the party.

The Socialist Party has banned centralism and strict chains of command and bureaucracy, seeking instead to organize itself on the basis of internal democratic principles that would preserve the sovereingty of rank-and-file organizations through individual or collective leaderships that are elected for specific terms in office by the fre and informed vote of the militants and are subject to permanent control.

We have carried out this process under extremely difficult conditions, burdened by the dictatorship and the repression, without freedom to discuss ideas, and plagued by prejudices and the primitive culture that the autoritarian government has tried to impose on the country.

We Socialists have come out of this experience with renewed strength, even more deeply convinced of our ideals, with a greater audience in the country. The party itself has grown with the arrival of new contingents of youths, workers, women, intellectuals, producers of culture, professional people, and technicians.

Our experience with renewal began with the birth of the party itself. Criticized as factionalist at the beginning, it gradually gained ground in society, using thousands of different approaches suited to each situation. We have not walked this path alone. Over recent decades, a strong movement of renewal in socialist policies and methods has been sweeping the world, based on the principles of freedom, democracy, and participation. It is an ongoing phenomenon that, despite all difficulties, victories, and defeats, is influencing the evolution of humanity.

It is a fact that socialism will never be the same again when the new century begins. The bureaucratic and nondemocratic leanings that have harmed socialism are taking a slow and conflictive step to adopt profound, complex, and as yet uncertain democratic and multiparty ways, including cultural freedom. The organization of the economy in a rigid and centralized form, managed by mere administrative commands, is slowly and gradually giving way to different forms of organization, where the capability and initiative of the worker are valued, where his productivity is promoted, and where prices are competitive and free of administrative control. Technical innovation, social creativity, and knowledge are beginning to be valued as the only way to develop highly complex economies that have become petrified and have lost their competitiveness and their capability to satisfy the consumer requirements of the population.

In the Western world, especially Europe, socialism is opening a path as a driving force of a new era, integrating countries, generating a common social and cultural space, and shoring up the burden of organized labor as an element in the economic and social transformations. There, socialism has become a part of democracy, and democracy cannot now believe it is whole without the participation of the Socialists, whose importance rests precisely in their ability to renew themselves. The Socialists have become the main force in the construction of a united Europe, in establishing a new international economic order, in the struggle for disarmament and overcoming the bloc mentality, and in the preservation of ecological equilibrium.

In this new scenario, Chilean Socialists hope to be an active part of the processes of evaluation, discussion, and renovation of the socialist patrimony and of its culture. On the basis of our own experience, which is undoubtedly national and autonomous, we Chilean Socialists express our strong solidarity with the socialist renovation movements emerging in Latin America and the world. While maintaining our independence, we feel we are part of the great international movement that is the essense of socialist and democratic forces, whose solidarity we have experienced through these past years in our struggle for democracy, and we fully support that movement's vigor and aspirations for a more just, peaceful, and democratic world.

On proclaiming the prospects for an advance toward democracy and socialism's commitment to the struggle to transform Chilean society, the 25th Congress reiterates its call for the unity of all Chilean Socialists and ratifies the party's policy of seeking that unity through doctrinary, strategic, and political agreements.

The process of unifying Chilean socialism must be based at least on two basic ideas: The recovery of the historical principles of socialism, and its necessary renovation in view of the political and socioeconomic phenomena that are taking place in Chile and the world.

To talk about recovery means to accept the 1922 Declaration of Principles and the 1947 Program, which point out the basic guidelines of our doctrinary ideas. To talk about renovation implies the contribution of the various proposals for renovation that have been drafted by several sectors of socialism during these years of struggle and evaluation. Thus, with an eye to the 21st century, it will allow us to give an efficient tool to the younger generations who will be the main players in the struggle to integrate socialism and democracy, an idea that is in keeping with President Allende's project.

To advance the process of unification, a common definition that accepts this process as a political method completely separate from other processes is needed. In other words, we maintain that the achievement of unity is a goal in itself, without any conditions that could lead to other types of political agreements. The Socialists' systems of political alliances and agreements will be defined from within their own autonomy.

We emphasize the closer ties achieved in recent years with the Socialist Party (PS) led by Clodomiro Almeyda. We seek to strengthen these ties to reach full unity with this branch of socialism as soon as possible, because we believe that this is the most important time for socialist unity. The 25th Congress also emphasizes the closer ties between fronts and regional groups of our party with those of the PS led by Comrade Almeyda.

The 25th Congress reiterates that the party is willing to promote the integration of other socialist sectors that in recent years have shared with us the same struggle and a similar path of political renewal.

6. (as published) Finally, the 25th Congress has decided to reopen the party's registries until early December. It also urges the thousands of Chileans who struggled and worked for our victory in the 5 October plebiscite and who share our ideals and programs to join the PS to build a free, just, and sovereign Chile.

Ecuador

Assembly President on Tripartite Dialogue

PA1907174389 Quito Voz de los Andes in Spanish
1200 GMT 19 Jul 89

[Statement by Legislative Assembly President Celso Carrizo during news conference in Ecuador; date not given—recorded]

[Text] The OAS is acting as a bridge between the groups, between the political groups. We appreciate this and have faith in the OAS' goodwill in acting as a bridge. We have said this before. However, we also believe—and the Legislative Assembly has made this charge and informed the OAS about it—that this is not the role it should play. We have told the OAS about the problem between Panama and the United States. We believe that the OAS is capable of handling this problem and has a mandate to do so.

Regarding the dialogue under way in Panama, promoted by the OAS, Panamanians believe that it should be held within an atmosphere of goodwill so that it will solve the political problem in the country. However, we also wish to inform the OAS that solving the domestic problem is useless if the external political problem remains unsolved. We therefore believe that the OAS delegation should attempt to solve both problems, beginning with the external political problem, the problem we have with the United States—to ensure that it abides by the treaties, ends the military and economic aggression against Panama, and lifts all the economic sanctions against our country. I believe that the OAS can do this because its mandate gives them the right to intervene and to help the Panamanian people solve this problem.

I have no doubt that the OAS, acting as a bridge and through the dialogue, can help solve the domestic problem. I do have certain doubts, because the United States is encouraging a group that is participating in the dialogue, and this can delay the results. I believe that countries which have nothing to do with the problem must be removed from the scene in order to allow the Panamanian people to solve their own problems.

Borja on Citibank Agreement, Foreign Debt

PA2007040989 Quito Radio Quito in Spanish
2300 GMT 19 Jul 89

[Text] The agreement reached by the Ecuadoran Government and Citibank does not impose conditions on the country. To the contrary, it means that Ecuador has managed to recover $80 million that belongs to us. This statement was made today by President Rodrigo Borja upon returning from Portoviejo where he carried out several activities [words indistinct].

The end of the impasse with the U.S. bank will permit and facilitate the renegotiation of the foreign debt, Borja stated. He said that to a certain extent, Citibank has lost Ecuador's trust. Later on, the president denied that the announcement on fuel-price increases is related to negotiations the government is maintaining with the IMF to draft a letter of intent.

The president said that the regime will not accept pressure from any international organization because Ecuador has autonomy in managing its economic policy.

[Begin recording] [Borja] The country has attained its objective of recovering this money, our money. This money is to be used as the government sees fit.

[Question] Mr President, is the money being delivered without conditions?

[Borja] Without conditions.

[Question] Will you trust Citibank again?

[Borja] After what happened, I do not think there will be full trust, but we have been able to recover the $80 million, and it was recovered under better conditions than those that existed prior to December.

[Question] Will this agreement facilitate foreign debt negotiations?

[Borja] Yes, because [words indistinct] were reluctant to negotiate the foreign debt if the problem was not resolved.

[Question] A total of 50 percent of the $80 million must be maintained in [words indistinct].

[Borja] Before we had to maintain 60 percent.

[Question] Will you have to maintain 50 percent?

[Borja] We have to maintain a deposit in a bank. This is not a condition set by anyone. It is a bank disposition because money has to be available to circulate and to make payments abroad. [words indistinct] what we have in the bank.

[Question] Mr President, can you tell us about the letter of intent?

[Borja] I can tell you that Ecuador functions autonomously and will not receive or accept pressure from any foreign organization on how the country must design and implement its economic policy, a function that belongs to the state.

[Reporter] [words indistinct]

[Borja] [words indistinct]

[Reporter] [words indistinct]

[Borja] We plan to use this money for important development of the country and to improve our balance of payments situation. [end recording]

The president today lifted measures that were adopted to guarantee staple supplies and public transportation services throughout the country when transport sector leaders initiated a strike on 28 May of this year.

The president said that the reason for the mobilizations and expropriations no longer exists and thus he has decreed the demobilization of (ENTREVI) [not further identified] employees and of transport sector people—drivers, owners, and spokesmen for the enterprises, cooperatives, and other public land transport means.

The presidential decree also releases expropriated vehicles that were used for public transport.

Paraguay

Chile Denies Report on Economic Assistance

PY1907181289 Asuncion HOY in Spanish 19 Jul 89 p 15

[Text] A press communique issued by the Chilean Embassy states: In the face of several press reports announcing that Chile will allegedly advise Paraguay on the implementation of a macroeconomic policy, it is the duty of this embassy to clarify that:

1. The economic formulas used in one country to solve its various problems cannot be applied to other countries because each country has its own particular economic characteristics. Therefore, the economic model implemented in Chile, the results of which have earned favorable comments from the international economic community, cannot be applied to any other country that has a different socioeconomic situation.

2. Therefore, it would be pointless and absurd to attempt to force other countries to implement economic policies similar to those used in Chile. This would not be in keeping with the Chilean tradition.

3. Contrary to this notion, Chile is willing to share its experiences with any country that asks for assistance in specific areas of cooperation.

4. The visit by Gerardo Jofre, a Chilean expert in organization and administrative methods, to Paraguay some weeks ago at the invitation of the finance minister to advise him on specific financial matters was an example of this cooperation effort.

5. The Chilean Embassy regrets that the irresponsible report of a news agency on the purpose of Jofre's visit and on his advisory role have caused an understandable reaction among Paraguayan economic officials.

It should be recalled that Paraguayan Industry and Commerce Minister Antonio Zuccollo, who was surprised by the Santiago datelined report, clarified the situation and denied the report.

American Arabs To Meet in Tripoli 23 Jul

PY1807222289 Asuncion HOY in Spanish 18 Jul 89 p 13

[Text] The Second Extraordinary Congress of FEARAB [Federation of Arab-American Entities] will begin on 23 July in Tripoli, the capital of Libya, with the participation of 150 delegates from the American Continent and 120 observers.

This organization has branches throughout America and our country will be represented by an outstanding delegation of members of FEARAB Paraguay, an organization that in its declaration of principles establishes that it was created to disseminate the historical, moral, cultural, and economic values of the Arab countries, both in Paraguay and all other American countries in which the Arabs have planted roots, thus becoming an inseparable part of the same.

Important topics will be evaluated during the congress, including the situation of the Americans of Arab origin in the cultural and economic fields, and within the framework of existing institutions; the role of the American of Arab origin in his relations with the motherland; the struggle of the Arab nation for its liberation, unity, and progress; and there will be an evaluation of the experience of the Socialist People's Libyan Arab Jamahiriyah and of the Palestinian Intifadah [Uprising].

The national delegation will be made up of Messrs Sigfrido Maluff, Jalil Safuan, Alejandro Hamed Franco, Mustaffa Dujac, and Daniel Jure. At the end of the congress Jure will travel to Syria at the invitation of the Syrian Government to talk about several matters pertaining to the Arabs and their descendents in our country.

For the second time this congress will gather the members of FEARAB of the southern cone and it will serve to evaluate matters that pertain to the descendents of Arabs in this part of the world and the struggle of the Arab nation for its liberation. Approximately 150 delegates from all the countries of the region will participate in this second meeting of FEARAB America.

Faction Created Within Main Opposition Party

PY1907160489 Asuncion HOY in Spanish 19 Jul 89 p 10

[Text] The Democratic Opening and Integration [Integracion y Apertura Democratica], which was created yesterday and is led by Carlos Alberto Gonzalez, is a new internal faction—the third one—within the Authentic Radical Liberal Party [PLRA].

The PLRA already had two internal movements: Change for Liberation, which is currently the majority faction; and Popular Mobilization for Change, which is led by Miguel Abdon Saguier. Gonzalez noted that, unlike the other two movements, the Democratic Opening and Integration will not seek electoral objectives.

According to its main leaders, the new movement seeks to mediate between the other two movements (led by Saguier and by PLRA leader Domingo Laino). The Saguier-led Popular Mobilization for Change and the Laino-led Change for Liberation are considered election-oriented movements whose members have repeatedly exchanged serious charges. These two movements have also taken clear positions regarding the political situation that has prevailed in the country since the 2-3 February coup.

The Democratic Opening and Integration will primarily seek to join efforts to bring back into the PLRA fold those members and supporters who have distanced themselves from the party. The members of this new movement will promote a great opening, as they believe that the PLRA should not only attract its own members but anyone who could cooperate with the party.

In a communique released to the public, the leaders of the Democratic Opening and Integration state: "This movement seeks to promote an opening with the PLRA to make it institutionally broader and stronger and to enrich it with new ideas. We will thus be able to approach the upcoming municipal, constituent and national elections from an advantageous position and with dignifying greatness."

Military School Commander Assumes Post

PY1807185489 Asuncion ULTIMA HORA in Spanish 17 Jul 89 p 18

[Excerpt] Colonel Pedro Fernandez Torres has assumed his duties as commander of the Acosta Nu Military School. Fernandez replaces Colonel Aladino Enciso. [passage omitted]

New Asuncion Archbishop Assumes Duties

PY1807174489 Asuncion ULTIMA HORA in Spanish 17 Jul 89 p 16

[Excerpt] Msgr Felipe Santiago Benitez Avalos has assumed his duties as archbishop of Asuncion in a solemn ceremony held at the Metropolitan Cathedral. Attending the ceremony were President Andres Rodriguez, government officials, and representatives of the various pastoral groups of the Asuncion Archdiocese. [passage omitted]

Peru

Garcia Refutes Nationalization Rumors

PY1807211889 Madrid EFE in Spanish 1750 GMT 18 Jul 89

[Text] Lima, 18 Jul (EFE)—In response to rumors circulating in Lima, President Alan Garcia last night denied that his government intends to nationalize the U.S. "Southern Peru Copper Corporation."

In a news conference, the president stated: "The copper mining corporation that is exploiting the mines in southern Peru will not be nationalized."

The U.S. corporation has been exploiting the Cuajone and Toquepala mines for 20 years, in addition to the Ilo refinery, which is the most important private plant. The Cuajone and Toquepala mines have been producing 75 percent of Peruvian copper. These mines and the refinery plant are located in the Department of Moquegua, 1,000 km south of Lima, on the border with Chile.

President Garcia also denied that in his 28 July message to the nation he will announce that workers' shares will be converted into common shares to grant broader rights to the workers within the enterprises.

He said that those rumors have been disseminated by the "right [passage indistinct].

Alan Garcia officially announced that the minimum salary in Peru, which will be implemented as of this month, has been increased from 108,000 to 150,000 intis ($50), which represents a monthly increase of 30 percent for the private sector and 20 percent for the public sector.

During the first 6 months of the year, the Peruvian inflation rate stands at 601.2 percent, while the annual inflation rate between June 1988 and June 1989 stands at 5,836.8 percent, according to official data.

Lima To Buy Articulated Buses From PRC

PY1907035689 Lima EXPRESO in Spanish 8 Jul 89 p 5

[Summary] The government has authorized the purchase of 500 articulated buses from the PRC. The Lima Metropolitan Administration will sign an agreement on the government's behalf with the China North Industries Company and the China National Machinery and Equipments Import and Export Corporation Shenzhen Company Limited [name as published] for a $46.9 million, which will be amortized by Lima Municipality over a 10-year period.

Of the total, 320 buses will be assembled in the PRC, and the remaining 180 will be assembled in Peru.

Disappearance of 52 Soldiers Denied

PY2007031289 Lima Television Peruana in Spanish 0100 GMT 20 Jul 89

[Text] Some news media have said that the political-military chief of the National Security Northeast Subzone 8 reported the disappearance of 52 Army soldiers. However, the Joint Armed Forces Command has issued a communique denying such reports. The political-military chief has also issued a denial.

Two Traffic Policemen Attacked on Street

PY1807195589 Lima Television Peruana in Spanish 1800 GMT 18 Jul 89

[Text] Two traffic policemen escaped a terrorist attack today. The attack took place as they were directing the traffic in the crossing of Grau Avenue and Abtao Street. A man hurled a bomb at them from a passing car and fled.

A spokesman from the 7th Region of the National Police reported the attack took place this morning. The two policemen were slightly injured.

Terrorists Burn Buses, 16 People Injured

PY1907204189 Lima Television Peruana in Spanish 1800 GMT 19 Jul 89

[Text] This morning the police arrested 24 alleged terrorists after they set fire to buses of the ENATRUPERU [Peruvian National Urban Transportation Company] and the Lima Metropolitana Bus Company.

The buses were attacked with dynamite and set on fire in various districts of northern Lima and the central highway. As a result of this attack 16 people were injured. It has been unofficially reported that nine buses were burned, eight belonging to the ENATRUPERU and one to the Lima Metropolitana Company.

So far four alleged terrorists have been identified. They are being held under arrest. They are: (Joer Serna Conga), 22 years of age; (Cesar Guardamarina), 20 years; (Rafael Arcangel Parraga), 23 years; and Melchor Chachama Sotomayor), 18 years. They are being held under the jurisdiction of the Antiterrorist Directorate.

Terrorists Kill Two Peasants, Teacher in Yauyos

PY1807152289 Madrid EFE in Spanish 0232 GMT 18 Jul 89

[Text] Lima, 17 Jul (EFE)—The police have reported that alleged Shining Path terrorists today murdered two peasant leaders and a teacher in Yauyos, Merian District, 120 km southeast of Lima. The teacher was a candidate for deputy.

The police said that the group of alleged Shining Path terrorists killed Romulo Sanchez, a 69-year-old teacher, who has thus become the first candidate for deputy in the March 1989 [date as received] general elections to be murdered by terrorists.

Peasant leaders Humberto Perales Chavez, 50, and Reynaldo Gutierrez, 61, were also killed. The peasants were with Sanchez, who was in Yauyos to start a business.

Witnesses told the police that the terrorists shot the teacher and the peasants because they criticized the Maoist Shining Path terrorists' activities against Peruvian peasants.

The police also reported today that in the evening of 16 July, about 20 alleged Shining Path terrorists killed two people in Chavin, a township 11 km north of this city, capital of the Peruvian Department of Ancash (north of Lima) [as received].

The murder occurred in the township of Mullaca, owned by Deusdebio Macedo, 49. Macedo, a member of the conservative Popular Christian Party (PPC), and his son-in-law Walter Moreno, 22, were shot dead.

The Shining Path terrorists began the armed struggle in May 1980. Since then they have killed at least 14,000 people, including civilians and military men, and have caused over $12 billion worth of material damage.

Venezuela

Missionary Bruce Olson Released by Guerrillas

PA2007012389 Caracas Venezolana de Television Canal 8 in Spanish 0035 GMT 20 Jul 89

[Text] Missionary Bruce Olson, who was held captive by the Colombian guerrillas for 8 months, was released at 1700 this afternoon. The release took place along the border of the [Venezuelan] state of Tachira during an action in which no one was killed or wounded. Missionary Bruce Olson was kept in the town of Urena the entire time of his captivity. After his release he was medically examined before being turned over to Colombian authorities.

Concerning another kidnapping, that of ranch owner Norberto Rodriguez, there has been no new report from the kidnappers, who have remained silent. A joint command is working on the investigations in an effort to locate the brother of the first lady of the Republic.

Suriname

Parties Satisfied With Progress of Talks

FL1907154589 Paramaribo International Service in English 1730 GMT 19 Jul 89

[Text] Peace talks between the Surinamese Government and the rebel jungle commando have begun in neighboring French Guiana. The talks are aimed at achieving a lasting peace with the rebels led by Ronny Brunswijk, who took up arms in 1986 in an attempt to overthrow Suriname's military government. The Armed Forces turned over power to a civilian government last year, but the fighting continued until the cease-fire was signed last month.

The parties attending Tuesday's [18 July] talks have expressed satisfaction about the progress made. The chairman of the Surinamese Government delegation said the atmosphere had been good while rebel leader Ronny Brunswijk said he was convinced the government wanted peace though he could not say as much for Suriname's Armed Forces.

Over the coming days, the peace negotiations will focus on an aid program for the inland parts of Suriname and on the future of the rebel jungle commando members.